



lag a NEWS SUMMARY

GENERAL

BUSINESS

Nuclear sub theft plot

Three young Americans have been charged with plotting to steal a nuclear submarine, sell it and possibly destroy a U.S. city with a missile attack.

The FBI said the men planned to steal the submarine *Trepang* from its base at New London, Connecticut, by training a 12-man team to board the vessel, kill the crew—which numbered 107—and set off for the mid-Atlantic, where the *Trepang* would be sold to an undisclosed buyer.

In the process, an armed missile would be launched against New London, as a diversionary measure. The plot came to light when one of the alleged participants—an insurance salesman—showed the details to an undercover FBI man.

Cabinet falls in Sweden

Swedish Prime Minister Thorbjorn Falldin has resigned and the country's first non-socialist Government for 44 years was being dissolved after only two years in office. There has been increasing disarray in the tripartite coalition.

UK faces court

The UK will be taken to the European Court of Justice over its unilateral fisheries protection policy, according to Eamonn Gallagher, head of the EEC Commission's fisheries directorate. Back Page

Assad in Moscow

Syrian President Hafez Assad held talks with his Soviet counterpart Leonid Brezhnev in Moscow. They are believed to be formulating common policies to counter the Camp David Middle East peace accord. Page 4

Probe clarified

Scotland Yard said it is not carrying out any "criminal inquiry" into Liberal Party funds, though an investigation into homosexual assaults and misuse of funds at the National Liberal Club is continuing. The club and the party have no direct link.

Powell's attack

Enoch Powell, Ulster Unionist MP for Down South, attacked his former Conservative colleagues for failing to protest at the "humiliation of Britain" when James Callaghan went "to grovel and ask for absorption" from Zambia's President Kaunda. Page 10

Nobel award

Jewish author Isaac Bashevis Singer has won the Nobel Prize for Literature for his writings on the fate of East European Jewry. He grew up in the Warsaw ghetto but emigrated to the U.S. before the Nazi holocaust.

Chapter ends

A chapter in Ulster's history ends this weekend when Betty Williams and Mairead Corrigan step down as leaders of the peace movement they founded 20 months ago.

Air born

A Laotian refugee gave birth to a daughter aboard an Air France jet as it passed over Mont Blanc. Mother and baby were "doing well" said the airline.

Briefly ...

Woman who burned herself to death near Windsor was named as Pamela Evans Cooper, 54, a director of Fortnum and Mason. Malcolm Allison, manager of Plymouth Argyle, was fined £200 in London for damaging a transport police detention room at Paddington Station.

Fahad Minyi was committed for trial accused of killing El Al stewardess Irit Gidron and the attempted murder of another stewardess in London.

COMPANIES

City of London businessmen are offering £1,000 reward to find missing schoolboy Mark Berkshire, whose parents work at Billingsgate. Page 24

CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated.

RISES	FALLS
Amal. Dist. Prods. ... 33 + 4	Anglo Amer. Corp. ... 375 + 9
Assoc. Fisheries ... 50 + 5	Anglo U.S. Dev. ... 245 + 20
Bejam ... 65 + 6	Bishopgate Plat. ... 100 + 4
Brit. Commonwealth 305 + 5	CRA ... 305 + 6
Dixons Photographic 136 + 11	Northgate Expln. ... 435 + 30
EMI ... 158 + 13	Westfield Mins. ... 132 + 12
Farnell Elect. ... 423 + 8	APV ... 227 - 6
Lyles (S.) ... 65 - 4	Beecham ... 710 - 12
May and Hassell ... 431 + 31	Brown (J.) ... 455 - 8
Midhurst White ... 265 + 13	Dawson Inml. ... 195 - 4
News Int'l. ... 106 + 6	Dowty ... 275 - 5
Parker Timber ... 64 + 3	Ellis and Everard ... 1051 - 6
Pavilion (W.L.) ... 137 - 9	GEC ... 327 - 9
Tantrons ... 255 + 25	Hawker Siddeley ... 255 - 9
Wolstenholme Bronze ... 245 - 20	ICL ... 473 - 7
Afrikander Lease ... 108 - 10	Whitehouse (G.) ... 108 - 10

# NEB prepares for £40m venture in office equipment

BY MAX WILKINSON

The National Enterprise Board is preparing to launch a major new venture in the office equipment industry at a cost of about £40m.

It has been given outline approval for setting up a new subsidiary which will be provided with about the same amount of funds as allocated to its new semiconductor company.

The office equipment company is not, however, expected to take direct responsibility for production. It will sub-contract to a group of small companies in which the NEB has taken, or is planning, minority shareholdings.

The venture is aimed at stimulating the development of new products in an area now dominated by foreign multinational companies—including Philips, International Business Machines and Olivetti, and other Japanese and U.S. companies.

The NEB wants to develop small business machines and communications equipment based on the latest micro-electronics technology.

Its first line of attack on the market, worth several hundred million pounds a year overall in the UK, will probably be to develop a word processing system

Mr. Bob Finch, managing director of CTL, confirmed yesterday that he had been having regular talks with the NEB about possible co-operation in an office equipment venture, but he said no deal had been reached at present.

NEB's new role, Page 20

## Australia plans to borrow \$800m in Tokyo

BY CHARLES SMITH

THE AUSTRALIAN Government is hoping to borrow a total of \$800m in September.

Australia announced last July that it was joining the queue in what could become one of the biggest fund-raising operations ever undertaken by a foreign government on the Tokyo capital market.

The \$150m package consists of three separate operations. They are on a yen-denominated bond issue valued at between \$50m and \$75m together with two syndicated borrowings valued at \$35m to \$40m each.

The total amount is intended to satisfy Australia's external borrowing need for the fourth quarter.

There will probably be no borrowing operations of a comparable scale in the Euro-markets, or other international capital markets during this period.

In the July-September quarter the Australian Government was active in European money markets. In July it floated a Swiss franc bond issue worth the equivalent of £15.5m (\$21.6m). This was followed by a Netherlands issue, worth £12.5m in August and a D-Mark market. Page 5

• IATA director-general Mr. Karr-Hammarstrom has criticised U.S. airlines policy which he warned could bring aviation nations into direct conflict. Page 4

• NEW HOUSING starts in August were the lowest for six months, according to Department of the Environment figures. Page 7

• SHIPYARD management and unions from Britain's 29 States-owned yards are to set up a joint working party on wages. Page 12

• PLASTICS producers, led by Dow Chemical, ICI, and Shell Chemicals, have started a drive to raise prices from present rock-bottom levels. Page 5

• MR. GERARD FAINTLOUGH, managing director of Shell Chemicals UK, is to become a divisional director of the National Enterprise Board. Page 10, Men and Matters, Page 20

• SELFRIDGES, the London department store which is part of the Sears Holdings group, is negotiating to open a branch in Disney World, the \$700m leisure complex at Orlando, Florida. Page 7, Sears results Page 22

• SIR JIMMY HODGE is retiring as chairman of the banking and personal finance empire the Hodge Group. Back Page and Page 41

• THAMES TELEVISION pre-tax profits for the year to June 30 increased by 11 per cent to £8.65 (£7.6m). Page 24

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## Wholesale prices leap 0.9% in U.S.

By JUREK MARTIN

WASHINGTON, Oct. 5. WHOLESALE prices in the U.S. jumped by 0.9 per cent last month, the steepest increase since the spring and a matter of clear concern to the Carter administration.

President Carter moved quickly to demonstrate his awareness of inflationary problems and had the immediate satisfaction of seeing the House of Representatives uphold his veto of the \$10bn Public Works Bill on the grounds that it would contribute to escalating Government costs.

Although both the leaders of his own party and of the Republicans supported the attempt to over-ride his veto, Mr. Carter prevailed in an important test of will when the House voted by only 223 to 190 to nullify the veto—33 votes short of the two-thirds majority needed to override the President.

Earlier today, he accompanied news of his veto with a brief note to each member of Congress

Editorial comment, Page 20  
Money markets, Page 28

which ran: "The Producers' Price Index for finished goods rose 0.9 per cent in September—an annual rate of 11.4 per cent. I urge you to help me control inflation and to set an example of leadership for the nation by supporting my veto of the Public Works Bill."

The major factor in the rise in wholesale prices was again food, which went up by 1.7 per cent last month, after falling 1.5 per cent in August. But non-food items also increased in price. This component of the index rose by 0.6 per cent compared with 0.4 per cent in August.

Just as disturbing was the fact that two other indices, which measure the price of goods at crude and intermediate stages of processing, both turned sharply upwards after dropping in the previous month.

Australia's financing needs coincide with a strong revival of interest in overseas yen lending by Japanese banks.

James Firth writes from Sydney: Australia's borrowing plan is part of a continuing programme to shore up the country's reserves and stave off a unilateral devaluation of the Australian dollar. The aim is to convince foreign investors that there will be no devaluation and thus encourage a resurgence of capital inflow.

There will probably be no borrowing operations of a comparable scale in the Euro-markets, or other international capital markets during this period.

The second loan will be placed mainly with trust banks (including Mitsubishi Trust) and insurance companies.

Australia has been borrowing heavily on international money markets during the past 18 months to bridge the balance of payments gap caused by a decline in private capital inflow.

In the 1977-78 fiscal year, total official borrowings amounted to \$1.5bn in August and a D-Mark 150m (net of repayments).

Belgian borrowings, Page 26

Continued on Back Page

## Ford strike made official by TGWU

BY PHILIP RAWSTORNE AND CHRISTIAN TYLER

THE DIFFICULTIES facing the Government and union leaders in diffusing shop floor militancy this winter were highlighted yesterday by the decision of the Transport and General Workers' Union to declare the two-week Ford strike official.

It makes even more urgent the attempt to find a mutually acceptable compromise on Phase Four pay controls. The Government and union leaders start the search at their first meeting next Tuesday.

The transport workers' decision, taken at the Labour Party Conference in Blackpool, was a reminder that this week's strike of Government and union relations at the political level has not yet stood the test of mounting pressure against the pay cap limit.

The Prime Minister made it clear last night that any redefinition of Phase Four would need to be narrowly drawn.

Mr. Moss Evans, general secretary of the transport workers and one of the six members of the TUC on the

## EUROPEAN NEWS

## Portugal's socialists drop poll demands

BY JIMMY BURNS

LISBON, Oct. 5. SOME 10,000 jubilant Socialist Party supporters waved flags, chanted and cheered early this morning in the sombre galleries of Lisbon's sports pavilion, in what the casual glimpse might have taken for the curtain raiser on an as yet unannounced electoral campaign. Although the gathering claimed officially to commemorate the anniversary of the Portuguese Republic (born in 1910), it was more pointedly the first time that the Socialists had rallied round their leadership in public since the parliamentary rejection (proposed by Socialist deputies) defeated Sr. Alfredo Nobre da Costa's Government three weeks ago. But despite the massed jubilation tempting a call to battle, party leader Sr. Mario Soares appeared to go out of his way to offer an alternative to the polls.

Sr. Soares offered his formula for a solution to the present political impasse: that the President should appoint a new Prime Minister as soon as possible. The new Premier would neither have to be a Socialist nor to necessarily have to count on Socialist participation in his Government, but would nevertheless establish a new consensus between the President and the Portuguese Parliament. Such a solution, Sr. Soares said, was the most realistic in the present circumstances, and would avoid further inconsequential meetings between the President and political leaders. The parties, he added, had been forced in recent days into "closing band statements which give the Portuguese people the impression that they do not understand each other."

Such a compromising tone was not so readily adopted in August, when President Ramalho Eanes first attempted to find a solution to the political crisis brought on by the collapse of the six-month old Socialist-Conservative alliance. Sr. Soares then declared in no uncertain terms that neither he nor any of his fellow party members were prepared to participate in a presidentially backed government unless this was led by a socialist. He stuck resolutely to a strict interpretation of the Portuguese constitution. This states that a new Prime Minister should be appointed with due regard for electoral results. The Socialists, having won Portugal's last General Election with 35 per cent of the vote, argued then that this necessarily implied them.

This morning, Dr. Soares, while still remaining critical of Sr. da Costa's caretaker Government, did not bark openly at the idea of another independent Prime Minister. This might make President Eanes's present task somewhat easier, given the virtual ruling out of a new inter-party agreement.

Significantly, Dr. Soares felt compelled today to state some thing which the Socialists found it hard to state back in August: that the President is undeniably democratic.

"The truth must be said... the President has shown respect for the political parties and for their dynamism and logic," he said.

Statements such as this suggest that Sr. Soares might have regained some of his old political skill, which was considerably tarnished during the break-up with the Conservatives. For the first time since the political crisis began, he has shown himself in public at least sensitive to the warnings of commentators outside his party, who are not necessarily against him: that the uncompromising stand adopted by the Socialist leadership in the summer seriously misguided Portuguese public opinion, and in particular the popular support for President Eanes, and his candidates' realistic and undogmatic opinions at a time of pressing economic problems.

Significantly, when Parliament voted on the rejection motion last month, it was Sr. da Costa and not the Socialists who were greeted with the loudest applause from the public galleries.

**Yugoslav arrests** Two Australians have been arrested in Yugoslavia on allegations that they engaged in espionage against Yugoslavia, the official news agency said yesterday. The two are reportedly agents of the Yugoslav secret service, AP reports from Belgrade. There are also indications the agents added, without providing further details, that they were backed by an intelligence service.

## Norwegian budget call for 'loyalty'

BY FAY GJESTER

ZERO GROWTH in private consumption next year and a minimal rise in public-sector spending are foreseen in the income families with children. Norwegian Labour Government's budget for 1979, presented to the Storting (Parliament) today.

In his budget speech the Finance Minister, Mr. Per Kleppie, said that the Government's austerity policies call for "loyalty from all groups and a certain degree of sacrifice by

the people" in the revised budget for 1978, presented to the Storting (Parliament) today.

Despite the Government's tough measures, he said, unemployment was bound to rise (from the present level of about 13.3 per cent). The past few years had shown how dependent Norway's economy was on the rest of the world, and the Western industrial countries had not shaken off mass unemployment. There were 17m unemployed in the OECD countries and in Scandinavia alone unemployment this winter could reach about 600,000, he pointed out.

The budget reflects the 15-month price and incomes freeze announced last month. The Government's concern at Norway's growing foreign debt, expected to reach almost Kr 100bn by the end of this year, makes no increases in Kr 100bn by the end of this year. Indirect taxes or charges for public service.

Direct taxes will rise by a total of about Kr 270m (227m) holding down cost increases and

thereby making Norwegian industry more competitive.

The Government will no longer encourage certain industries sometimes with the help of subsidies to retain employees they do not need. Instead it hopes to see greater mobility in the labour market.

Unemployment is expected to rise sharply in some areas and the budget includes a special allocation of Kr 450m, to be spent on training schemes, job re-location, and special payments to companies which hire "difficult" categories of workers, such as the under-18s or those over 50 who have been unemployed for some time. The measures aim to create the equivalent of 50,000 extra jobs over 1979.

Total revenues are foreseen at Kr 67.7bn—6.3 per cent higher than in the revised budget for 1978, compared with an increase in expenditure of 18.3 per cent from 1977 to 1978. The lower rise reflects the prices and incomes freeze and mid-minute austerity cuts in a number of areas. In general the cuts will reduce planned investment spending more sharply than day-to-day spending on goods and services, since investments can more easily be postponed.

Total revenues are foreseen at Kr 61.6bn—only 10.6 per cent up on the previous year, compared with 17.4 per cent rise from 1977 to 1978. This is a deficit of Kr 8.3bn—some Kr 2.2bn less than in 1978.

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the Frig and Ekofisk gas pipelines have been operational, and there has been no major accident like the 1977 Ekofisk blow-out to hit production.

From 1978 to 1979, petroleum output will rise less sharply, by about 33 per cent to 40m tonnes of oil equivalent.

The 1978 payments deficit is now forecast to reach only Kr 12.6bn, against the estimate of Kr 20.3bn in the revised 1978 budget. The improvement on the earlier forecast reflects an 18 per cent volume fall in traditional imports this year, partly as a result of austerity measures. At the same time, non-oil exports have risen by an estimated 1 per cent. For 1979, a payments deficit of Kr 16bn is forecast.

Reuter adds: Between December and February Norway will award seven of the 15 blocks allocated to the fourth round of North Sea oil concessions, a spokesman for the Ministry of Petroleum and Energy said.

Voice will be told this month whether it can share in the concessions following its car-for-oil deal with Norway, but the spokesman said the final award could be made only after Parliament had

verdict.

## Cyprus calls for UN sanctions on Turkey

BY PAUL BETTS

The President of Cyprus, Mr. Spyros Kyprianou, yesterday proposed that the United Nations General Assembly hold a special session to review the failure of many states to implement Security Council resolutions, including those dealing with the Cyprus problem. Our Own Correspondent writes from the UN. He also writes to the Security Council to consider invoking mandatory sanctions against Turkey, which has refused to heed UN demands for the withdrawal of its troops from the island.

**Dutch inquiry**

Dutch justice officials have ordered an inquiry into allegations of police brutality made by a group of Iranian students who were expelled from the Netherlands, AP reports from The Hague.

The nine students, ordered out of the country after staging a peaceful occupation of an Iranian embassy in August, claim they were beaten with rubber truncheons. One student was said to have suffered a broken neck.

**Husak operation**

Czechoslovakia's President Gustav Husak is to have a second operation to remove an eye cataract, said Reuter, quoting informed sources in Prague yesterday. Dr. Husak, 70, was operated on May 21.

**Gibraltar call**

Spain's Foreign Minister, Sr. Marcelino Oreja Aguirre, yesterday renewed his call for Britain to hand over Gibraltar, saying that decolonisation was a basic principle of the United Nations charter, according to Dr. Husak's operation.

**Catholic claim**

Poland's Roman Catholic bishops criticised local Communist authorities yesterday for allegedly harassing their faithful. A communiqué published after an episcopal meeting also endorsed the bishops' aim to reconcile Poles and West Germans.

**Albania names China**

Albania, whose close friendship with China has soured in recent years, has attacked China by name for the first time in the United Nations general assembly, reports AP. Albanian Foreign Minister, Mr. Nesti Nas, said his government had rejected "efforts of the Chinese leadership to dictate its big-power state policy and stands."

**Warsaw Pact charge**

The Warsaw Pact, yesterday accused NATO of increasing tensions in Europe by staging manoeuvres along the Communist bloc's frontiers, according to Reuter in Vienna.

**East Germany's Ambassador** to the Vienna-based talks on troop reductions in Europe told the 180th plenary session that the NATO manoeuvres were "expressions of a tendency to aggravate tension."

**Papal election**

A steady stream of pilgrims prayed at the gray marble tomb of Pope John Paul I in the grottoes beneath St. Peter's Basilica yesterday as cardinals of the Roman Catholic Church began formal preparations to elect his successor.

**It is also expected that France** will have less recourse to the international market next year than this, which is already well below last year's level. For example, overseas borrowing in the final quarter of 1978 totalled FFrs 3.55bn whereas the first quarter of this year saw FFrs 4.75bn and the second FFrs 2.11bn raised in foreign currency.

**Marseilles swoop**

Hundreds of police swooped on Marseilles' underworld haunts during Wednesday night in the hunt for gunmen who killed nine people in a massacre in a local bar, Reuter reports from Marseilles. Several hundred police took part in the operation, checking the identities of about 1,500 people.

**German factory**

AN ULSTER district council has persuaded a German leather goods manufacturer to consider establishing a factory in the province. The company—which has not been named—is prepared to offer employment for up to 160 people.

**While the arrests in Milan are generally regarded as a breakthrough, public indignation** has now been caused by the disappearance of Sig. Freda, who appears to have been missing since Sunday.

**Sig. Freda** was originally remanded in custody but due to the repeated delays in the trial he was provisionally released

## Italian ruling party moves to the right

BY PAUL BETTS

The selection of Sig. Carlo Cattin, as the Deputy Secretary-General of the Christian Democratic Party is the latest development in the discreet but significant changes that have been taking place in the hierarchy of the long-ruling party.

The Christian Democratic Party has never been happy with the alliance with the Communists, and its instinct has always been to seek an alternative.

This alliance has repeatedly created tensions within the fractured party, and recently Zaccagnini came under heavy criticism from the veteran right of centre Senator, Sig. Amintore Fanfani, and a new generation of Christian Democrat deputies from the north.

The recent relative recovery of the Socialist Party and its frontal attack against the Communists is also having effects on Christian Democratic thinking.

The consolidation of the Christian Democrats comes as difficulties increase for the Communists. In his latest declaration, Sig. Enrico Berlinguer, the Communist Party Secretary General, has indicated that his party is reluctant to face an early election. The alliance with the Christian Democrats has created tensions within the party's rank and file and has raised doubts on Sig. Berlinguer's policy of the "Compromesso Storico" or Grand Alliance of all the country's democratic forces.

Socialist criticism of the Communist Party ideology has proved an additional embarrassment, and Sig. Berlinguer has had to defend his party's historical roots.

This has intensified the attack from other parties, including the small but influential Republicans, who claim the Italian Communists have yet to evolve into a truly Western democratic party. This may indeed be an

**The consolidation of the party comes as difficulties increase for the Communists.**

unfair criticism of the party, although it clearly puts pressure on Sig. Berlinguer to be specific on such key issues as the party's relationship with the Soviet Union.

Sig. Berlinguer has now left for a training tour to Paris, Belgrade and Moscow to review his party's contributions to European communism. He has pointed out that Sig. Berlinguer's departure coincides with the arrival of Sig. Cattin, one of the Chinese Foreign Minister, Huang Hua, relations between Peking and the Italian Communist Party have been cut off in recent years.

While all the main political forces claim there are no alternatives to the present governing alliance, they are all showing signs of restiveness and seem to be aiming at sharpening their

**Bomb trial outcry over defendant's disappearance**

BY OUR OWN CORRESPONDENT

**THE DISAPPEARANCE** of one with the order to remain in a Catanzaro jail until Sunday was the controversial trial at Catanzaro arising from the 1968 Milan bombing, in which 14 people died, has taken some steam out of this week's major police and terrorist successes.

This law was a consequence of the trial, due to resume on Saturday, and its specific relationship with the Chinese Foreign Minister, Huang Hua, relations between Peking and the Italian Communist Party have been cut off in recent years.

But the events of China to the West will inevitably force the hand of the Italian Communists if the party claimed independence from Moscow to retain credibility.

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## AMERICAN NEWS

Job, in this

New York  
Post plans  
Sunday  
edition

By Our Own Correspondent

NEW YORK Oct. 5. AFTER AN ABSENCE of 58 days, a 128-page edition of the New York Post appeared this morning, bearing party testimony to the success of publisher Mr. Rupert Murdoch's unilateral dash for a settlement of the pressmen's strike.

While Mr. Murdoch's rivals, the New York Times and the Daily News, were still searching for a negotiated settlement with pressmen's union leaders, New Yorkers were thumbing through one of the fattest editions of their afternoon tabloid newspaper to have appeared for a very long time.

Laden with 60 full pages of profitable advertising, today's edition appears to confirm expectations that the Post will enjoy an advertising windfall for as long as the Times and the News remain strike-bound.

All of the city's leading department stores start their traditional autumn sales next Monday and this is one of the heaviest newspaper advertising week-ends of the year.

Seeking to capitalise on his temporary monopoly (two of the substitute strike newspapers are continuing publication), it was learned today that Mr. Murdoch was preparing to plan a Sunday edition of the Post, which normally publishes on only six days a week, and was therefore unavailable to answer questions.

About 1m copies of the newspaper were printed today and this may rise to 1.5m by the week-end.

Before the strike the Post was selling about 645,000 a day and executives have every expectation of more than doubling this over the next few days.

Mr. Murdoch has promised to implement any settlement with the pressmen which is finally negotiated with the Times and the News whose officials are not disputing predictions that an agreement may yet be two weeks away.

Inco nickel  
threatened

SUDBURY, Ontario, Oct. 5. THE UNITED Steelworkers of America Union, on strike against Inco, has asked the Teamsters Union and the Seafarers International Union to stop handling Inco nickel shipments, Mr. Dave Patterson, local president, said.

No reply had yet been received from the unions, he added. A refusal to move nickel would halt nickel transfers to Inco customers. Reuter

Carter move threatens  
nuclear test ban talks

By DAVID BUCHAN

IN A development that could stall negotiations with the Soviet Union and Britain for a comprehensive nuclear test ban treaty, the Carter Administration is reconsidering how long it would take such a test ban to last.

Earlier this year the U.S. proposed a five-year ban on all nuclear explosion tests. But pressure from the Defence Department and the Government's weapons design laboratories has since apparently persuaded the Administration that any test ban longer than three years would jeopardise the technological superiority of the U.S. nuclear deterrent. The fear of these groups is that the U.S. would be unduly restrained in making technological advances to offset the heavier Russian missiles.

U.S. arms control officials today denied that any decision had been made to go for a three year ban, but said the desired duration of the test ban was still under debate, in the Administration.

Mr. Andrei Gromyko, the Soviet Foreign Minister, in his speech to the UN General Assembly last week, said it was important to bring the test ban talks to a successful conclusion last November when the Russians and reprimanded the Soviet Union's negotiating partners, the U.S. and the UK, for stalling.

U.S. officials today rejected accusations that the Administration was deliberately slowing the test ban talks in Geneva, so that any agreement banning all nuclear explosions, which might prove even more controversial than the proposed Strategic Arms Limitation Treaty, would reach Congress after a SALT agreement.

They said rather that the Geneva talks had been bogged down on the problem of how the test ban might be verified. Both the superpowers have agreed in principle to have "black box" monitors placed on their territory—an important concession by the Russians who have never before agreed to on-site verification. But U.S. officials say there are still many technical details to be resolved. They also claim that the Soviet Union has agreed to a test ban being of limited duration.

Up to now, the test ban talks seemed to be moving a little faster than the SALT negotiations. A big breakthrough came to meet this threat.

## Venezuela names loss makers

By JOSEPH MANN

VENZUELA'S Controller-General has published a list of 16 Government-owned enterprises which showed losses of \$2.58m at year-end 1977.

The State-run companies, some of which borrow extensively from foreign banks, are a symptom of the serious management problems and tendency to overspend which have characterised the oil rich Government of President Carlos Andres Perez.

The 16 concerns listed by the Controller-General form only a small part of nearly 200 companies and independent agencies owned by the Venezuelan Government.

Among the most important industrial and commercial operations in the red were the IVP (Venezuelan Petrochemical Institute) with losses of \$598m. Sidor (the State steelworks), with a deficit of \$61.6m. Aeropostal (one of two Government airlines), \$84m. Inavi (the State housing institute), \$214m and Iios (the Government water company), \$209m.

Other concerns were the State Railroads Institute (now in the process of working out a \$1bn

contract with Canadian and Spanish consortia) and the National Institute of Ports, the National Institute of Tourism, and the Corporacion Venezolana de Fomento (CVF), an entity which promotes industrial development.

The idea behind virtually all these Government agencies is that they should pay their own way, but their record shows an entirely different picture.

Although observers expect losses to occur in some of these entities, the sheer volume of red ink exposed by the Controller-General's report caused a stir and evoked calls by opposition parties for Government reforms.

The Perez Government, which has earned and spent more money than any other in Venezuelan history, has often been reluctant to report profit and loss statements for some of its enterprises.

In some cases Government officials said accounts of State-run concerns were so snarled that even Government auditors said to be in the red for \$1.5bn, part of which was due to subsidies paid to farmers.

U.S. urges  
Syrian  
restraint  
in Lebanon

By David Buchan

WASHINGTON, Oct. 5.

THE U.S. is urging Syria to use restraint, and Israel not to intervene in the renewed bitter fighting in Lebanon. Mr. Cyrus Vance, Secretary of State, said on television this morning.

Any clash between these two countries, the Administration fears, would not only vastly complicate the Lebanon situation, but also jeopardise the Camp David peace accords.

The U.S. has backed the call by France, currently in the chair of the UN Security Council, for an immediate ceasefire and separation of the Syrian troops in Lebanon from the Lebanese Christian militias.

The U.S. leverage within Syria is not great, though last week's decision by Congress to allow \$100m in economic aid to Syria is considered useful.

The State Department yesterday gave Saudi Arabia a public pat on the back for its efforts to urge restraint on President Assad of Syria.

State Department officials say no U.S.-made arms are reaching the Christian forces from Israel, and that the U.S. would strongly condemn any shipments of Israeli-made arms.

Mr. Vance, who today ruled out any kind of U.S. intervention, reiterated the Administration's previous call for an international conference on Lebanon.

Pinochet may  
visit China

By Robert Lindley

BUENOS AIRES, Oct. 5. PRESIDENT Augusto Pinochet of Chile, may visit China soon, Mr. Hernan Cubillos, Chile's Foreign Minister, has announced. Mr. Cubillos will lead an "advance guard mission" to China later this month.

While in China, Mr. Cubillos will invite Chairman Hua Kuo-Feng to visit Chile. It is not known whether Gen. Pinochet would go to China before or after any possible visit by Chairman Hua to Chile.

Relations between Chile and China deteriorated drastically with the coming to power in 1970 of President Salvador

Chile has an important market for its copper and iron in China, which in turn is reportedly interested in penetrating the Latin American market with its products through Chile.

American car sales  
dip but overall  
trend stays strong

By JOHN WYLES

NEW YORK, Oct. 5.

U.S. CAR SALES dipped slightly last month but not enough to damage the prospect of a record year for domestic and foreign manufacturers.

The continuing strength of consumer demand looks virtually certain to confound gloomy predictions made by industry experts at the start of the year of a significant fall from last year's total dealer sales of 11.79m cars.

However, the overall strength of sales, which points to 11.86m deliveries this year, masks the problems suffered by some makers and the significant achievements of others.

Chrysler Corporation, for example, which is looking to the Peugeot-Citroen purchase of its European operations to guarantee its survival through the 1980s, is having an increasingly tough struggle to maintain its market share in the American market.

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General Motors, the largest car manufacturer in the U.S., sold 659,226 units in September compared to 656,800 last year.

Imports failed to maintain a significant surge apparent in August when they reversed the trend of falling sales due to currency-induced price rises.

Market share for imports fell from 20.7 per cent to 20.4 per cent in September and sales fell from 171,300 to 169,000. The leading importers, Toyota and Datsun, again suffered heavily.

Toyota's sales fell by 10.2 per cent and Datsun's by 20.4 per cent.

Despite the rising yen Honda (up 19.3 per cent), Subaru (up 28.5 per cent) and Mazda (up 52.3 per cent) continued the sales gains which they have been making virtually all year.

Volkswagen, whose sales are still more than 18,000 down on last year, turned in its best year on year improvement for 1978 with a sales increase from 12,905 to 30,370. A sharp rise in sales of its diesel engine small car, the Rabbit, helped contribute to this gain. British Leyland's sales fell 41 per cent from 6,397 to 3,772.

General Motors' sales fell 13.9 per cent to around 12.6 per cent.

General Motors on the other hand is going from strength to strength. By introducing many of its new 1979 models early last month ahead of the domestic competition it pushed September sales up 6.7 per cent on the same month last year.

In anticipation of continued strength GM is scheduling record fourth quarter production.

For by contrast suffered a 3.3 per cent sales decline although its sales to date are up 4 per cent on last year.

American Motors, the smallest

General 1978 1977 % change

Motors 395,449 370,656 + 6.7

Ford 171,581 177,710 - 3.3

Chrysler 73,493 92,633 -20.2

American 18,006 15,501 +15.4

Mexican  
flights  
disrupted  
by strike

MEXICO CITY, Oct. 5. FLIGHTS WERE severely disrupted throughout Mexico today when air traffic controllers walked out in a dispute over contracts.

Government employees stepped in to operate control towers at the nation's 46 airports to maintain international flight operations, but domestic flights were off 10 per cent of normal, a Government official said.

Airport operation hours will be from 9 am to 11 pm daily, an official said, and will be gradually increased "as the Government controllers gain experience."

He refused to predict when that would be and refused to identify himself by name because he said he was merely a spokesman for the new Union that replaces the Air Controllers Union.

Domestic flights of the two privately-owned Mexican Airlines and the Government's Aeromexico, were cancelled and only 11 international flights by each will be allowed daily, the official said.

Trudeau party  
popularity sags

By Victor Mackie

OTTAWA Oct. 5. PRIME MINISTER Pierre Trudeau's Liberal Party is sagging in popularity, while the Conservatives are gaining, according to the latest public opinion poll.

Fifteen Federal elections are scheduled for October 16. A Gallup poll shows the Liberals dropped four points to 41 per cent public support in September, while the Tories have gained three points to 38 per cent.

## Far East wins \$300m ship order

By IAN HARGREAVES, SHIPPING CORRESPONDENT

FAR EAST shipyards have won a contract worth more than \$300m to build 12 container ships for Sea-Land, the shipping subsidiary of R. J. Reynolds Industries of the U.S.

This is the biggest merchant ship order placed for some time and in spite of the problem of the appreciating yen, Japanese yards were able to offer prices

comfortably below those of German shipbuilders, which were the only Europeans to bid.

Sea-Land said yesterday that

capacity of 839 40-ft containers will be used in its round-the-world service.

They will replace existing tonnage, but because the new ships are larger, there will be some increase in capacity on the service. How much will depend on final decisions on which ships to withdraw.

The ships contract is part of a \$850m modernisation programme being undertaken by Sea-Land, involving replacement of ancillary and shore equipment.

If you've  
got one of these,  
you can install  
your own  
small computer.

At the moment you're probably relying on your telephone to keep you within arm's reach of your accounts department, your stockroom, your salesmen, your whatever.

But you may be surprised to learn that the 13-amp socket in your office could feed you with information far more efficiently than your telephone.

Simply because, when you use your telephone, you're at the mercy of the man at the other end.

Is he the right man? Has he got all the information you want? How quickly can he give it to you? How reliable is it? And can he give it to you in the form you need it?

On the other hand, take IBM's 5110 computer. It's no larger than an office desk, asks no more than a 13-amp socket to power it, and once programmed, isn't much more complicated to use than a typewriter.

Yet, at the touch of a button or two, you could check which warehouse items are out of stock or root out your unpaid accounts.

Even more remarkable is its price: just over £13,000. And we may even be able to help you finance it.

The 5110 should meet the needs of most small businesses. But if you have more sophisticated needs to meet, we've more sophisticated small computers to meet them with.

Each one can help sharpen your cash flow, enhance your customer service, and improve the efficiency of your business.

But obviously we

can't start recommending the right computer for the job until we've listened to you and understood your needs.

May we suggest you slip the coupon into an envelope addressed to us.

And hang a reserved notice on your 13-amp socket.

I've listened to you. Now convince me I need an IBM small computer.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

SSD RTN

Chris Conway (GSD Marketing),  
IBM United Kingdom Limited,  
28 The Quadrant, Richmond,  
Surrey TW9 1DW. Tel: 01-940 9545

IBM

## OVERSEAS NEWS

## WORLD TRADE NEWS

## Assad in Moscow for talks with Brezhnev

By David Satter

MOSCOW, Oct. 5. MR HAFIZ ASSAD, the Syrian President, arrived in Moscow today and began immediate talks with Mr. Leonid Brezhnev, the Soviet President. It is believed the two leaders will be working on a common strategy to counter the Camp David peace accord.

Mr. Assad was greeted at the airport by Mr. Brezhnev, Mr. Alexei Kosygin, the Soviet Premier, Mr. Andrei Gromyko, the Foreign Minister, and Mr. Dmitri Ustinov, the Defence Minister. His arrival was broadcast live through the Soviet Union and Eastern Europe.

This is Mr. Assad's second visit to the Soviet Union this year. After his first visit in February, the Soviets stepped up military assistance and Mr. Assad is expected to press for further expansion of military aid during his visit this time.

The Soviets share Syrian anger over the Camp David agreements and the Government newspaper *Izvestia* last night praised the "staunchness of Damascus" in the struggle against Israel.

Mr. Assad is expected to discuss the situation in the Lebanon where Syrian troops are locked in heavy fighting with Right-wing Christian militia as well as concrete plans to counter what the Soviets refer to as the "separate deal".

*Hassan Hifazi adds from Beirut:* President Hafez Assad left Beirut with the tension in Lebanon unresolved and his troops battling the Christian militia in what informed sources here believe to be a decisive showdown.

President Assad returned to Damascus briefly yesterday after visiting East Germany. His Moscow trip was decided at last month's Damascus summit of the "steadfastness and confrontation front" aimed at scuttling the Camp David agreements.

There are two key issues in the Syrian-Soviet talks. Firstly, the desire by Syrian leaders to obtain more sophisticated weapons to counter Israel's military strength, particularly after the Egypt-Israel framework agreements reached at Camp David, and secondly the possibility of Syria concluding a treaty of friendship and co-operation with the Soviets—something it has resisted bitterly.

Mr. Abdel Halim Khaddam, Syria's Foreign Minister who is accompanying Mr. Assad, hinted at an alliance with Moscow while the Camp David conference was in progress.

President Assad had no time to meet President Elias Sarkis of Lebanon, who for some weeks had been seeking a meeting to consult urgently with the Syrian leader on new security arrangements to defuse the explosive situation in Lebanon.

Furthermore, Mr. Assad has given a categorical "no" to the French proposal for ending the current fierce fighting in Beirut between Syrian troops and the Christian militias.

The rejection was interpreted here as reflecting Syrian determination to deal a crushing blow to the militias, who are currently surrounded by Syrian troops at the north-eastern and eastern outskirts of Beirut.

Clashes raged for the third consecutive day with attempts by the militias to gain control of strategic bridges there, making no headway. The bridges are vital for the Christian supply line to the enclave around Jounieh.

## Israelis divided on reaction to worsening Lebanon crisis

By DAVID LENNON

MR. MOSHE DAYAN, the destruction of the Christian forces in Beirut will lead to a collapse of Christian resistance in Lebanon, but he did not think the fighting in Beirut would affect the peace negotiations between Israel and Egypt.

Israel has aided the Lebanese Christians with arms and by sending warplanes over Beirut. But it has not intervened directly in the fighting, despite earlier threats not to stand idly by while the Syrians crush the Christian forces.

The Government's policy at present is to urge Western nations to act and end the battle.

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## HOME NEWS

## Higher Concorde fares approved by CAA

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

INCREASES OF between 2 and nine per cent in some North Atlantic air fares from day fare of £271 return, London-New York, November 1, have been approved by the UK Civil Aviation Authority, including a rise in Concorde London-New York return fare from £305 to £320, and in the first-class return fare from £748 to £763.

But the authority has rejected any rise in the economy-class fare this winter, which stays at £340 return, London-New York, because it does not believe that a rise is justified on the basis of the cost of providing the service.

At the same time, the authority has approved a simplification of the fare structure that will com-

bine the 14-21-day and 22-45-day return, London-New York, to service. This concept, which on British airways will rise from £159 to £174, but will remain unchanged.

Commenting on these changes yesterday, the authority said that it was open to further changes from the airlines, once they have realised that, as a result of their individual requests so far, some disparities will exist between the fares they charge for various types of service.

The authority's other main decision on Atlantic routes is to approve the plans put forward by all the big airlines, including British Airways, Pan Am and TWA, to cheapen fares for passengers enjoying the same standards of service.

Another fares discrepancy between the airlines which emerges from the authority's decisions is that the advanced purchase ex-

curcian (Apex) fare on British TWA, for the introduction of "full facilities" executive-cabin

service. British Airways will rise from £455 to £461. A new 14-45 return, London-New York, to service.

British Airways includes first-class, club-class (including economy fare travellers) and discount class (including cheap-rate travellers such as stand-by and Apex), is intended to ensure that businessmen and others paying higher fares do not find themselves sitting next to cheap-fare passengers enjoying the same standards of service for less money.

On the London-Houston route, British Caledonian last night said the authority had approved a cut of £33 in the return first-class fare from £854 to £821, but the next spring.

British Airways has not yet completed its studies, but is expected to make an application to the authority later this year or early next for rises of 5 per cent in most Atlantic fares from next month.

This move, which will take place in stages in the next two and a half years, reflects the view of PLA management that its future lies in the Tilbury operation rather than in the under-used Upper Docks.

Sir John Cuckney, the PLA chairman, has made his view clear that the upper docks should be closed in whole or part, freeing the authority to build a viable future based on Tilbury and its other riverside interests.

But the Government has vetoed closures and union-management talks are now in progress on reducing employment by over one-quarter at the up-tilbury docks.

The company hoped its action at 88,000 cars

JULY 1978

## Datsun UK will fight restriction on car imports

BY KENNETH GOODING

DATSON UK, the privately-owned importer, is refusing to be revealed.

Datsun UK revealed that as recently as a week ago it told Mr. Edmund Dell, Trade Secretary, of a voluntary commitment to restrict sales by its dealers.

As a first step it has told its dealers they may sell as many cars as they have in stock.

In an outspoken attack on the latest measures agreed between the UK and Japanese authorities, which will result in a severe cut in shipments from Japan this year, Datsun UK also under-

took to approach Toyota and other Japanese car importers to seek their co-operation.

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to "nullify" the aim of the Mr. Maxwell Boyd, a director of Datsun UK said yesterday that if Mr. Dell had waited until Britain regardless of the share of the market would not be above the level of 1977 by the end of the year.

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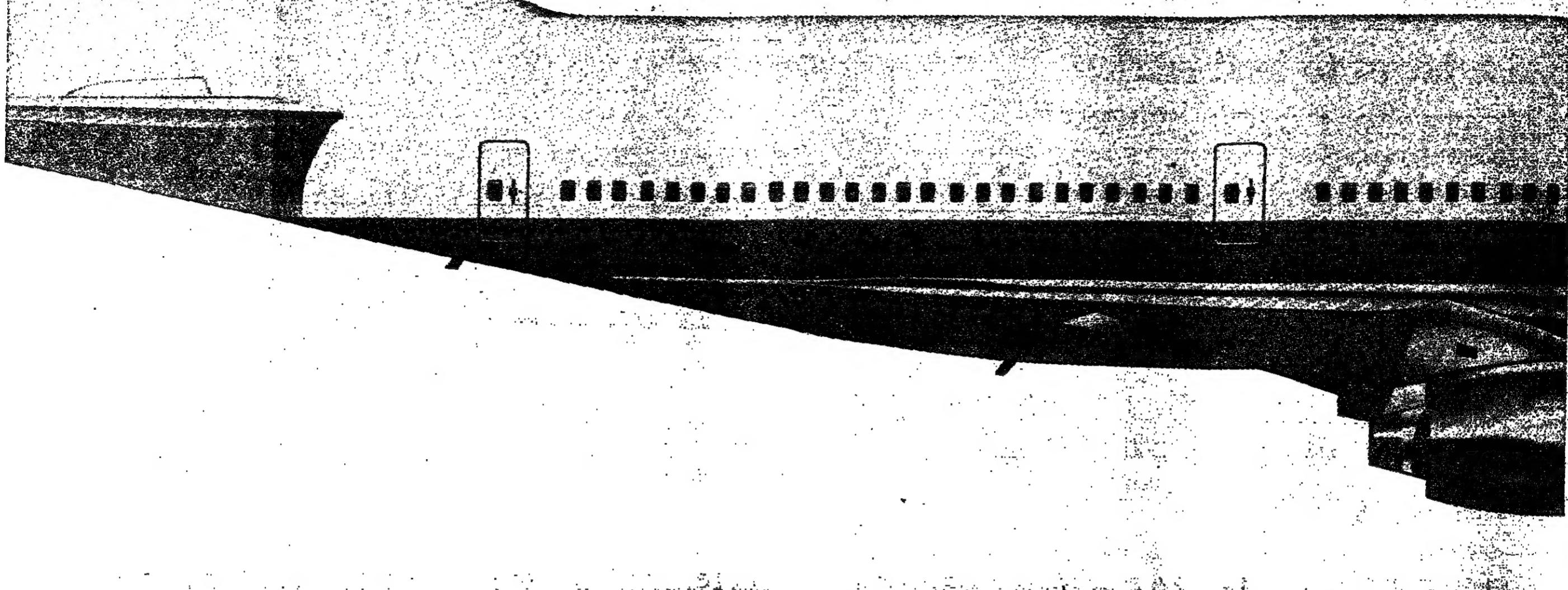
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# Now full fare the States get



As someone paying full economy fare to the U.S.A., you'll agree it's time airlines offered you a better deal.

Well, now one has.

From October 29th, all British Airways 747s, VC10s and DC10s flying to the States\* will boast a separate cabin called Club Class.

So without paying a penny more, you can set yourself apart.

## YOUR OWN SPECIAL CHECK-IN

You'll appreciate the difference from the moment you arrive at Heathrow.

As a Club Class passenger, you use your own special check-in facilities.

It's quicker, easier. In fact, a real boon to the busy business traveller.

And we've made similar arrangements for you at New York and at all other U.S. gateways.

## NEW ELIZABETHAN SERVICE

Club Class is full of surprises—all of them pleasant.

Your cabin is further forward in the aircraft than Discount Class.

Staff are assigned exclusively to your cabin. So the service is even more attentive. And rather special, too.

It's British Airways new Elizabethan Service. As you and your fellow business travellers settle back in the relaxing Club atmosphere, you'll not only feel more comfortable. You'll have many free extras to look forward to, as well.

## FREE DRINKS FROM THE CLUB BAR

For a start, the drinks are on us.

The Club bar is open almost from take-off to touch-down. And you're free to ask for what you want.

We thought you'd appreciate having a drink when you feel like one. And at no extra cost.

## TASTY ELIZABETHAN FOOD

As part of our Elizabethan Service, you'll enjoy a menu based on authentic Tudor dishes. Similar to those served in the Royal residences and Noble houses of Elizabeth I's day.

For instance, our Rycote House Rere Supper. 'Capon puddynge after Mistress Duffeld's way; cutlet of lambe Oatlands, buttered lima beans with carets and roasted potato; spiced pear Lady Norris; comfits; posset Sir Francis.'

Sounds good, doesn't it? It tastes even better.

## FREE IN-FLIGHT ENTERTAINMENT

Our aim is to get you to America refreshed

Job 11, in 11 days

# Get passengers to see a better deal.

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and relaxed. And therefore more ready and able to get down to business.

To keep you amused, we've the usual in-flight entertainment. Except that when you travel Club Class, it's all free.

You can listen to the music of your choice on your own stereo headset. Or sit back and enjoy a good film—often one that hasn't been seen this side of the Atlantic.

### FLY THE FLAG TO THE STATES

Pay the full economy fare to the U.S.A. and you'll receive a good bit extra when you fly British Airways.

You'll feel pampered, privileged, someone special. Because we've made you a special case.

So next time you've business in the States, ask your Travel Agent or British Airways Shop about our new Club Class with its exclusive Elizabethan Service.

The first time you fly it, you'll see why it's seats ahead of the rest.

# British airways

We'll take more care of you

## LABOUR AT BLACKPOOL



Reports by John Hunt, Ivor Owen, Dlinor Goodman, and Philip Rawstorne. Pictures by Terry Kirk.

## State-ownership of North Sea oil should be our goal, says Benn

STATE OWNERSHIP of North Sea oil will remain the foundation and the strength of this country companies having the role of contractors, as envisaged by the Government, is not prepared, said Anthony Wedgwood Benn, MP, to defend the industrialisation taking place in this country masked by the temporary bonus of North Sea oil revenue.

"We must call a halt to the contraction and reduction of our manufacturing capacity in this subsidiary should be brought under full public control."

Mr. Benn yesterday described oil revenues properly applied by the present relationship between the Government and BP, which was brought into partial public ownership in 1971, as "unsatisfactory."

Delegates warmly applauded as he reaffirmed his determination to oppose EEC Commission proposals which would transfer control of Britain's energy policy from Westminster to Brussels.

He also made it clear that the Government would not be deflected by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

The Commission was also strongly attacked by Mr. Gervin Laird of the AUEW. "We must tell them to keep their hands off our energy resources," he declared.

Mr. Laird praised the Government for introducing the petro-leasing revenue tax but complained that the major oil companies were still receiving 25 per cent of the nation's oil nuclear waste reprocessing out.

He described the use made of oil revenues as a "central policy issue" and restated the Government's view that they should not be dispensed but used to regenerate British industry.

Manufacturing industry is with Mr. Benn in defending the years because limited reserves of the NEC.

## attacked

The interest relief grants for the offshore supply industry which were under attack by the EEC Commission had helped provide a large part of the 100,000 jobs in Scotland that came from North Sea oil.

"I will not accept that the Commission has the right to control our energy policy or that of any other community nation," he insisted.

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Mr. Benn speaking in the energy debate.

## Lester stops bid to revive vote row

A RENEWED bid to force a fresh vote on the compulsory re-selection of MPs by constituency parties, paled out at the conference.

The issue, which provoked a major row on Wednesday, was raised again at the start of yesterday's session.

It was brought up by Basingstoke Labour Party delegate Mr. Terry Hunt, one of the promoters in the anger demonstration over the vote-muddle involving Mr. Hugh Scanlon's engineering union.

Mr. Hunt said: "I would like to ask you to clear up the misunderstanding and all-feeling when the million votes were cast and denied the will of conference."

Mr. Hunt said it would be "relatively easy" for conference chairman Miss Joan Lester to see whether delegates wanted the vote to be taken again.

But Miss Lester replied: "I am not going to alter my ruling in any way at all—I stand by my ruling."

The row was sparked earlier in the week when Mr. Hugh Scanlon failed because of procedural confusion in ratifying the AUEW's 800,000 block vote in favour of compulsory re-selection of MPs. If he had done so, it would probably have tipped the vote against the National Executive's stand.

### Today's agenda

Environment  
Lures Aerospace  
Help for elderly and disabled

## Call for more council building

A RESOLUTION calling for a big increase in council house building and opposing any cut in public investment in housing was approved almost unanimously by the conference.

It also demanded the gradual abolition of mortgage tax relief to owner occupiers who pay tax above the standard rate.

An urgent review of the lending policies of building societies was called for—a move aimed at getting the societies to provide more funds for buying older homes in inner city areas.

The resolution declared that opposition to council house sales in areas where waiting lists for council tenants were more than six months or in areas of housing stress.

The sale of council homes to tenants would be further limited by putting a legal obligation on local councils to maintain their housing stock.

Mr. Allain said Germany and all at it—Tory MPs, the Press.

## Council accuses Mrs. Williams in Ripon school court case

A COUNCIL fighting to preserve a grammar school as a comprehensive school in a comprehensive education was being pursued by Mrs. Shirley Williams, the Education Secretary, like "rejectionism" at a High Court judge in London was told yesterday.

North Yorkshire County Council is resisting a call by Mrs. Williams to submit fresh proposals for comprehensive schooling in Ripon.

It wants to keep the town's grammar school as a separate secondary school from one across the road. But Mrs. Williams is anxious to see how schools merged as one comprehensive.

The council claims that the Minister has exceeded her powers under the 1970 Education Act in requiring the council to submit further proposals in place of those already made. It is seeking a declaration that she has misinterpreted the Act and has acted unlawfully.

Mr. John Wilmer, QC for the council, told Mr. Justice Edward Williamson that the issue is whether she had power to require the authority to submit further proposals.

The Secretary of State, being a lady, like proposals, and the question is whether she can enforce a reluctant superior to make proposals to her."

He said the council had "satisfied the comprehensive principle" by its original proposals. Mrs. Williams, he contend, had now power under the Act "to tell us how to go about the matter."

"In the present case, even one is agreed that whatever happens in future, education in Ripon will be provided by schools where arrangements for the admission of pupils are based on the comprehensive principle."

"Entry will not be based wholly or partly on selection by case things would go on as under one roof."

BY JOHN BRENNAN

THE SENIOR Crown Agent, ultimately responsible for an annual procurement programme worth £50m and in charge of grants of excessive government deposits, earned just £6,200 a year in 1978.

Sir Stephen Luke, senior agent until 1978, told the enquiry investigating the Crown Agent's £224m losses, yesterday, that he could have preferred a successor who was not a civil servant, preferably someone with the overseas, DCA, career, than a

reference to ability or aptitude.

The county council had adopted its scheme for two comprehensive schools for the 11 to 16 age group after fully consulting the wishes of local people.

The two existing schools—Ripon County Grammar School and Ripon County Secondary School—were on opposite sides of the same road. The county's proposals would keep them as two separate comprehensive schools with a joint sixth form college.

But the Education Secretary wanted the council to form one large school on the two premises said Mr. Wilmer.

Mr. Wilmer said that it was for the council to decide whether to have one school or two. It lies in close contact with schools and parents in their area.

"If our plan is unreasonable, then Mrs. Williams can step in and use her powers under the Education Act. But she has been careful not to do so, and she in no way agrees that our plan is unreasonable."

The council's plan for comprehensive re-organisation were submitted in July last year, but a month later the council was informed that the Education Secretary reconsidered the proposals and rejected them because they continued the separate existence of the two schools.

She considered the county's proposals were "wasteful of resources" and would create "unnecessary difficulties" in the allocation of pupils and sixth form arrangements.

But whether Mrs. Williams thought the proposals right or wrong was irrelevant, said Mr. Wilmer.

The council had complied with its obligations under the Education Act, but had not kept up today's standards.

The new centre will offer a range of post-16 qualifications including GCE 'A' levels, and degrees, apprenticeship training, and relevant certificates.

Mrs. Williams could accept or reject them—in which

they must have been fully aware and retained, something paid for the difficulties of doing so with a person."

Although Sir Stephen made it clear at the time of his decision to the argument to Mr. John Rankin QC, that his representing interests experience was needed to help up the in-depth work of the committee of the joint Adjudication Committee, he did not do so.

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# A SERIES OF INJECTIONS TO BOOST PERFORMANCE.

For those who wish to combine the superlative comfort of travelling in a Citroën CX with extra performance, Citroën offer a series of solutions.

Namely, the CX GTi, the CX Pallas Injection and the CX Prestige; three CX models all with Bosch L-jetronic fuel injection and electronic ignition. Each offers the kind of performance that could leave many a red-blooded sports car driver green with envy.

Matched to the electronic fuel injection is a wind cheating design that's only too willing to accommodate the extra performance. It also accounts for some pretty miserly fuel consumption. The CX GTi, for example, returns 34.9mpg at a constant 56mph (8.1 l/100km at 90km/h)\*

Those who grew up associating 'performance' with a bone-shaking ride and the deafening roar of an engine will find the CX comes as nothing short of a revelation.

A ride in the CX is remarkably smooth with Citroën's celebrated hydropneumatic suspension absorbing all the bumps and road shocks.

There isn't a more comfortable suspension

CX 2400 Pallas Injection (C-matic). Sunroof optional extra

CX Prestige Injection (C-matic)

CX 2400 GTI Injection (5 speed)

CX 2400 GTI Injection (5 speed)

**CITROËN CX.**

\*SIMULATED URBAN DRIVING 18.6 MPG (0.21 l/100 km). CONSTANT SPEED DRIVING 75 MPH (0.20 l/100 km). 20 MPG (0.11 l/100 km).  
ALL CX MODELS HAVE RECOMMENDED 10,000 MILES SERVICE INTERVALS. 1 YEAR UNLIMITED MILEAGE GUARANTEE. SUSPENSION GUARANTEED FOR 2 YEARS (MAX. 65,000 MILES). PRICES INCLUDE CAR TAX, VAT AND SEAT BELTS BUT EXCLUDE NUMBER PLATES. DELIVERY CHARGE £68.04 (INC. VAT). PRICES CORRECT AT TIME OF GOING TO PRESS. ENQUIRE ABOUT OUR PERSONAL EXPORT, HM FORCES AND DIPLOMATIC SCHEMES AND PREFERENTIAL FINANCE SCHEME. CHECK YELLOW PAGES FOR NAME AND ADDRESS OF NEAREST DEALER. CITROËN CARS LTD., MILL STREET, SLOUGH, SL2 5UE. TEL: SLOUGH 23808.

CITROËN CX

A selection of the 16 models in the CX range			
Model	BHP	Top Speed	Price
CX 2000	102	109mph	£4966.65
CX 2000 Super	102	109mph	£5199.48
CX 2400 Super (5 speed)	115	112mph	£5813.73
CX 2500 Diesel Super	75	91mph	£6040.71
CX 2400 Pallas (5 speed)	115	112mph	£6398.73
CX 2400 Pallas (C-matic)	115	111mph	£6582.42
CX 2400 Pallas Injection (C-matic)	128	112mph	£6997.77
CX 2400 GTI Injection (5 speed)	128	118mph	£6979.05
CX 2400 Safari Estate	115	109mph	£5971.68
CX 2500 Diesel Safari Estate	75	90mph	£6315.66
CX 2400 Familiale	115	109mph	£6081.66
CX Prestige Injection (C-matic)	128	112mph	£9254.70

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## COMMUNICATIONS

### Small exchange with multiple options

A DEVELOPMENT contract has been placed by the Post Office to Pye TMC for what will be a diversion with secretarial override, conference working, executive right of way and reportory, or abbreviated dialling.

Multi-line telephone instruments will be supplied with the exchanges allowing access to each of the facilities by pressing one button only.

Capacity needs from two external plus eight extension lines up to 10 external and 30 extension lines can be met by employing a system of cards and shelves.

An advantage to the Post Office will be the reduction of spares with fewer maintenance visits.

Pye says that it is one of the first small exchanges fully to exploit stored program techniques. In practice this means

## OFFSHORE INDUSTRIES

### Tackling corrosion problems

ONE OF the major preoccupations of the engineers and scientists in the teams supporting the UK's North Sea efforts has been the problem of corrosion, whether it is of the metal used in the submerged section of metal rigs, the reinforcement used in concrete platforms, or the effects of the impurities in the pipelines on the metals of the

series of test pipes made of steel and coated internally with high temperature grade enamel reinforced with a glass fibre inner wrap and having an outer wrap of coal tar impregnated glass tissue. Over this corrosion-prevention layer, a three-inch layer of high density concrete is applied.

To reproduce North Sea conditions, the test tank is filled with a synthetic seawater cooled down to 4 degrees C. Hot oil is then circulated through the pipe sections from a thermostatically controlled external oil tank.

Any creep in the coating is measured by gauges fixed between coating and concrete, while the temperature gradient across the coating is measured by a series of thermocouples mounted on the surface of the steel pipe and of the coal tar enamel.

The tests have shown that at typical temperatures encountered in the exploitation conditions, glass fibre reinforced

coating is suitable for North Sea work and BP and Chevron have selected an appropriate enamel from Metrotect to be used on the Niran field northern pipeline. Further tests are in progress to determine the upper temperature limits applicable to such materials. Metrotect operates from Tonbridge in Kent on 0732 356141.

In the meantime, in Norway,

a major four-year research project on corrosion problems in the offshore industry, specifically on rig structures, has been completed at a cost of £20,000.

Started in 1974 on the initiative of Det Norske Veritas and the Norwegian Ship Research Institute, it has had support from both a Government body and a group of interested companies.

16 separate reports deal with topics such as types of corrosion and environmental data; electrolytic data; paints and coatings and the characteristics of sacrificial anodes.

An English digest is available.

## HANDLING

### Trucks to work in danger zones

AS INDUSTRY anticipates more stringent controls to be decreed under the Health and Safety at Work Act, a Midland company has pre-empted such legislation by introducing a range of industrial trucks for use in hazardous

environments.

The trucks are all pedestrian operated and have been designed and manufactured by Danks of Netherthorpe, Halesowen Road, Netherthorpe, Dudley, West Midlands DY5 9PG (0384 66417).

Unlike other trucks for use in dangerous areas, says the company, its range has been designed from the drawing board to fit exacting BSAEFA specifications.

Developed in Israel for maximum absorption of light yet corrugated for strength and durability. The material contains special

stabilisers and anti-oxidation agents to give protection from

ultraviolet rays for five years.

It is being made by

the Palram factory of Kibbutz

Yochanan, Israel.

fork lift trucks (from Czechoslovakia) feature in the mechanical handling service operated in the UK by the company. These range from the three cylinder, 1363 kg unit up to the four cylinder 3181 kg model.

Lifts range from 3.3 to 4.8 metres. The fifth is the LPG (liquefied petroleum gas) operated model which is particularly suited to operation in interior areas owing to its low fume emission. It is suggested also for container loading because of its low overall height of only 1.82 metres. The truck has a lift capacity of 2.5 metres for a

1136 kg load.

All trucks are battery powered and have tiller steering. Their compact design and manoeuvrability makes them ideal for use in narrow gangways and they are said to be much more economical where there are solvents, etc.

Consisting of three models—a 2,000kg pallet truck for floor level movement only, a 3,400kg

truck operating needs may be limited to a few hours each day

and a counterbalanced

truck—the explosion-proof specification for this range has

been obtained to special order.

From NYK in Japan, a range of battery operated fork lifts, to be sold in the UK through a nationwide distributor network. Initially, the company will import a range of 12 front loading, counterbalanced and "sit-on" reach trucks, although any of the Japanese models will

be obtained to special order.

The Rapidex 100 is normally continuous, a picture of the contents of each item of baggage being displayed on the control console monitor as luggage passes through the unit. In the event of a bag requiring further or closer examination,

the operator presses an alarm button which ensures that the suspect bag is presented for re-

## COMPUTERS

### A step back to move ahead

The present contract does not commit Comshare to any manufacturer and, in fact, company policy has been to move towards a more open position where it can benefit immediately from the best products as they become available.

This policy is essential in a group which has been growing at about 40 per cent annually. The UK end has been particularly successful with pre-tax profits up to £1.15m in 1977 and a 45 per cent growth expected for 1978.

The latter will build 24 central processing units, the former is at 32 Great Peter Street, London, SW1P 2DB. 01-222 5885.

## HAND TOOLS

### Fast nail driver

IN AN unprecedented and apparently retrograde move for the computer industry, Comshare Incorporated and Honeywell have reached an agreement worth more than \$14m under which the latter will build 24 central processing units, the former is at 32 Great Peter Street, London, SW1P 2DB. 01-222 5885.

Honeywell took over SIS commitments when that company moved out of computers some two years ago.

At the same time, Honeywell is to build advanced solid-state memory systems based on MOS techniques, which will replace existing rotating magnetic memory and some solid-state memories of earlier designs.

The move is being made both to safeguard its considerable investment in software and the international real-time computer service group has made and to ensure that its customers are protected from machine failures. Though the Sigma 9's are among the most reliable processors built, they are becoming long in the tooth.

Light enough—only 6.6 lbs—

to be operated with one hand, but toughly built to withstand rigorous daily use, is a staple nailer called BIF MS 7664 from BIF, British Industrial Fasteners, Gatehouse Road, Aylesbury, Bucks HP19 3DS (0296 83475).

Nails can be driven at the rate of around 200 a minute.

## SAFETY & SECURITY

### Scans bags on conveyors

RAPIDEX X-ray baggage screening equipment has been extended to work with a conveyor system.

IAL, with the technical co-operation of Pantak (EMI), has applied a well-proven X-ray tube to a new camera system, and video store to produce the Rapidex 100, which it claims to be the most advanced available.

Operation of the Rapidex 100

is normally continuous, a picture

of the contents of each item of

baggage being displayed on the

control console monitor as lug-

gage passes through the unit. In

the event of a bag requiring fur-

ther or closer examination,

the operator presses an alarm

button which ensures that the sus-

pect bag is presented for re-

examination or hand-searched.

For closer examination, the

unit has a high security mode,

in which the conveyor belt is

stopped and the X-ray dosage

increased to permit the use of

the zoom and close-up facility.

In this mode, the machine per-

forms to better than the safety

standard laid down by the

various relevant organisations

throughout the world. This stan-

dard is typically 0.5mR/hr on the

surface of the machine. Incorpor-

ated are radiation detectors

which will shut the machine off

when radiation is continuously

emitted for significantly longer

than the normal examination

period.

IAL Group, Aeradio House,

Haves Road, Southall, Middlesex, UB2 5NJ. 01-874 2411.

## Kit to mend plant

### Less risk of accidents

Safety figures largely in the day-to-day thinking of Lloyds British Testing (part of Davey International), Atlas House, Belvoir Lane, Sutton Coldfield, West Midlands, B76 4AB (021-308 7101).

Many accidents caused by slingers misreading the safe working load ratings on a sling, or failing to recognise that a sling is worn or overstressed to

danger point, can be obviated by anyone familiar with the Stripey colour code.

The Powershield overhead cutting equipment is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes. This not only rectifies the safety gap but also gives the overhead crane operators the same safety standards enjoyed by their colleagues operating mobile machines.

The company has now introduced a comprehensive training scheme for crane drivers and slingers (it stresses how remarkably few men are actually specifically trained to perform these responsible and often dangerous jobs) with the view that fully qualified operators

utilise well maintained and expertly serviced equipment. The accident figures would rapidly decline and come onto line with even push below—the accident levels for industry as a whole.

MAINTENANCE departments often need to spend highly on initial outlay of stocks for carrying out emergency and permanent repairs to plant and machinery. This should now be unnecessary, says Quantaplast, with its introduction of a wide variety of thermosetting resin-based systems which come in two packs based on the standard sizes of the most commonly used materials, but also including small sizes of ancillary products.

One pack is designed primarily for engineering repairs, the other mainly for structural repairs to buildings.

The engineering pack-based on the company's Super system—includes the faster setting emergency grade, Quantabond epoxy adhesive, and ancillary products such as reinforcing tape, sealing pastes, insulator and release agent, for repairs on plant, machinery, pipes, etc.

The structural pack is based on Quantocure Standard and includes together with Quantabond epoxy adhesive, de-greaser, release agent, etc. This enables them to be used for a wide range of structural repairs to property such as floors, walls, etc.

More from the company at Thorpe Arch, Tadcaster, West Yorkshire, LS22 7BZ (0372 843388).

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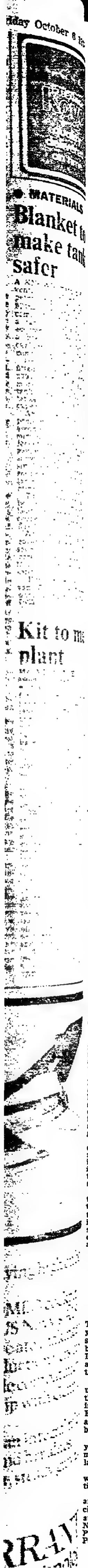
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Thank you, world.



# Working party plan for shipyard wages

BY PAULINE CLARK, LABOUR STAFF

MANAGEMENT AND unions representing Britain's 28 State-owned shipyards are to set up a joint working party on wages in their first significant move towards creating a unified pay bargaining system for the shipbuilding industry.

The plan was agreed yesterday in what were described as informal talks between British Shipbuilders and leaders of the Confederation of Shipbuilding and Engineering Unions, representing some 85,000 workers in the yards.

Describing the move as a "breakthrough" in months of talks on how to sort out the unwieldy bargaining structure in the industry since it was nationalised, Mr. John Chalmers, general secretary of Amalgamated Society of Boilermakers, said there would be a determined effort to establish a common date

for wage settlements. A full report on the agreement is to be presented to the Central Arbitration Committee under the 1946 Fair Wages Resolution.

This year, yards are said to be holding back on their pay negotiations until the Government's attitude to implementation of its 5 per cent policy becomes clear in renewed talks with TUC leaders. But meanwhile, yards such as Cowes, which had settled by this time last year, are exploring the possibility of self-financing productivity deals to boost their earnings.

Shipyard workers are likely to see some benefit in retaining the present system under the current strict wage guidelines to ensure maximum flexibility for negotiating productivity deals in the separate yards.

The unions have always emphasised that there should be no rigid national bargaining structure but that local negotiations should be based on national minimum rates for pay.

Extra impetus for formulating a national structure has arisen from the latest national agreement in the engineering industry where pay improvements have been biased towards engineering in private industry where considerably more overtime is worked than in shipbuilding.

# Ministers attacked for failing to solve hospital dispute

BY GUY LABOUR STAFF

# Vickers ends productivity deal and blames union

BY OUR OWN CORRESPONDENT

A SELF-FINANCING productivity scheme at Vickers has been scrapped because the company, which handles Defence Ministry contracts, said it was operating outside Government pay guidelines.

The Newcastle-upon-Tyne heavy engineering company has sent a letter to 1,200 shop floor workers telling them that the three-month-old productivity deal is to be abolished immediately.

Patients with serious heart disease who needed urgent but not emergency treatment could deteriorate, suffering serious disability or even dying.

Before the dispute started, 23 out of more than 100 on the hospital waiting list died because of urgent need.

Patients with cancer and serious heart diseases are having to be turned away from hospital because of the works supervisors' dispute.

Professor Richard Weilbourn, Director of Surgery at London's Hammersmith Hospital, said yesterday.

The hospital's management

forced that the 670-bed hospital may be forced to close its doors "because it may become unsafe to admit patients."

Meanwhile, the Department of Health reported a further significant deterioration in the situation round the country.

Dozens of hospitals, including some catering for children, are now handling accident and emergency cases only.

At Leeds and Wakefield, supplies of sterile equipment have been cut by 75 per cent.

At Cuckfield and Crawley hospitals in West Sussex supplies of sterilised fluids have run out, but unions are banning the use of commercially bought fluids.

In North Surrey admissions to children's wards have stopped.

rise from the middle of July.

The workers, who will not be asked to pay back the money, are to hold a meeting next week to decide what action to take.

Mr. Jim Murray, works convenor, would not comment on the company's decision yesterday.

The agreement, drawn up over several weeks, allows either side to withdraw if the other does not comply with laid-down conditions.

The letter blames the decision on the refusal of the engineering union's works committee to comply with a clause governing job mobility—allowing workers to be transferred to other departments as the order book demands.

This clause is seen as vital to justify the cost of the agreement, which gave the men a £4 a week

The company was now discussing alternative pay arrangements with the workforce.

## Plessey sit-in workers ordered out

WHITE-COLLAR engineering workers occupying a building on the 20-acre Plessey Telecommunications complex at Edge Hill, Liverpool, in protest against redundancies, were ordered to quit by High Court judge on London yesterday.

More than 40 members of the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers have been occupying the building on a rota basis since September 26.

At a 10-minute private court hearing, Mr. Justice Phillips granted Plessey a possession order on the property.

The workers were not represented at the hearing.

Plessey said later: "The order is a step forward in resuming work in the building where System X—a new digital telephone dialling system—is being developed for the Post Office for introduction in 1980."

The dispute started on July 5, when Plessey gave the union 90 days' notice of redundancies affecting 60 workers.

## Perkins faces shutdown

PERKINS FACES its second shutdown

within two months because of industrial action by 800 key

maintenance men at the Peterborough diesel engine company.

They have called a mass meeting for this morning after the management rejected their claim for re-grading.

The company is the world's biggest producer of diesel engines and when the dispute started in August, the maintenance men came out on strike for a mass meeting.

for 10 days. As a result, 5,500

production workers were laid off

and 900 engines a day were lost.

The management rejection of

the re-grading claim came yester-

day after a four-week investi-

gation. A statement to union re-

presentatives said: "We do not con-

sider that the claims presented

by the union justify the re-

grading of all or any craft jobs

on the basis of a fundamental

change of skill or responsibility."

The dispute started on July 5,

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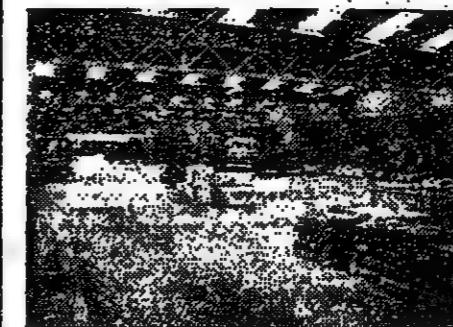
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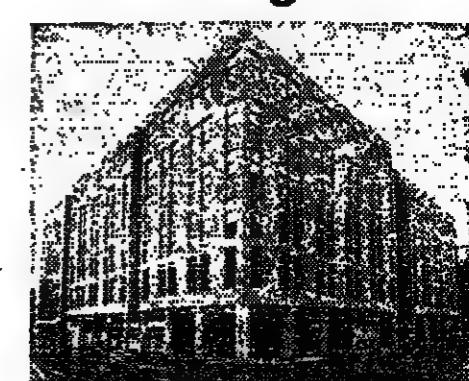
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## The Management Page

EDITED BY CHRISTOPHER LORENZ

## Japanese executives abroad: learning some tough lessons

A JAPANESE executive working in the outskirts of London dent. More than 100 of those dentments that his children would be sent by education-conscious probably be excluded from parents living outside the UK, working in the very company. The problem of education is which sent him here because felt most by executives between they haven't been educated in Japan. His fears, quite justified by Japan's rigid social structure, are increasingly shared by most middle-aged Japanese businessmen with families working in foreign countries.

There are now 6,000-7,000 Japanese living in the UK alone. Japanese educators estimate that fewer than half of their children (estimated around 1,200) are able to attend a school accredited by the Japanese education ministry.

Around 70 per cent attend weekly classes to study the Japanese language, and the rest, particularly outside London, are dependent on correspondence courses from Japan, or, in rare cases, have regular access to video tape recordings of television programmes from the homeland—or tutors to keep them from forgetting the national language.

The major concern of Japanese parents is that Japanese companies, some with impeccable images as international enterprises, remain extraordinarily conservative in recruiting their employees.

While their executives and staff range far and wide in pursuit of overseas business opportunities, at home the only candidates for employment are school leavers who have properly passed company examinations during the last year of university.

The ambitious student who travels abroad for a year or two—after graduating from a good school—will probably forfeit the chance of a job with a first-rate company which prefers someone who has come straight off the approved educational escalator.

Japanese businesses, with some co-operation from the government, help establish a private school in London for children, but the school, in Canning Town, only accepts full-time students from their fourth to their ninth year of education (about 317 students at present), though Saturday language classes also handle 650 students from the first year of education to the twelfth.

There is one boarding school for Japanese children in the UK administered by Rikkyo University, a private institution in

Richard Hanson

IN JUST four years Pakistan International Airlines (PIA) has travelled from virtual bust to boom. Now, despite the handicap of acute political uncertainty and an economy where miracles never happen, the airline is planning an expansion programme which aims to double its size by 1981 and sustain its claim to be the fastest-growing airline in Asia.

To do this it is buying both the European Airbus and 747 Jumbos. Depending on which of these two types becomes the pivot of the fleet, PIA could arrive in the mid-1980s with a fleet of up to nine Jumbos or as many as 17 Airbus. Just five years ago the entire fleet consisted of 10 Boeing 707/720s and five Fokker Friendships.

That first great expansion plan was an act of faith. Pakistan had lost 55 per cent of its population and PIA half its business in Bangladesh. The airline had also crashed four aircraft in less than 12 months, was losing money heavily, was in dispute with its pilots and suffered a haemorrhage—like loss of skilled manpower (to Singapore Airlines in particular)—and was producing a haphazard and slovenly service.

With two daughters, 14 and 17 years old, he has enforced a strict rule of "Japanese only" at home. He imports several hours of Japanese television programming on video tapes each month, and supplemented his children's education (at local privately run schools) with tutors from time to time.

He will soon return to Japan after six years' absence, but the elder daughter will remain in the UK to complete her education. But the British school-leavers' examination will qualify her for only five private universities in Japan, most of which have strong international divisions. The younger daughter will have to do her best to catch up with her classmates back in Japan.

The plight of overseas business has spurred considerable debate in Japan recently. The Government has been urged to establish more schools overseas for the families of businessmen and diplomats, but funding has been slow to come.

The need to become more cosmopolitan and "internationalised" is widely recognised by the Japanese themselves, who tend—as in most expatriate foreign communities—to associate with each other more than with the local communities. Understandably, however, few Japanese parents are willing to see their own children sacrifice a hard-earned place in society to acquire that goal.

Richard Hanson

## How Pakistan's airline grew against the odds

BY DAVID CURRY

In the current financial year a in co-operation with the Saudi losses run from pilots (Saudi airline Saudia — another tempts them with offers of profit of some \$30m on a turnover of around \$100m is example of exploiting the post-\$4,000-a-month salary plus expected—five times the 1972-73 subsidies of oil-rich Muslim house and car) to engineers, cooks and handling officers.

The generator for PIA's expansion was what the West knows as the oil crisis and the Middle East knows as the oil boom. The Indian sub-continent is the market place for labour in the Middle East, not just skilled workers but even more so for basic manual labour. PIA

tapped that market by making itself the largest foreign operator to the United Arab Emirates and Saudi Arabia, with PIA facing a basic problem: 41 weekly services to the although it is the airline of a former and 19 to the latter. The developing country it has set an hour's flight away, costs less

Airbus choice was a difficult one to make. There were strong feelings in the airline that it would be wrong to add a new aircraft type to the fleet and that a wiser decision would have been to opt for adding more 747s. However, the Airbus was the only specifically short-haul wide-bodied aircraft and the financial package was attractive. The drawback is that it has a critical range on some routes and is unable to take off from some airports in extremely hot temperatures with a full load.

PIA is doing its best to catch up on infrastructure and facilities. Its reservations system will be computerised by year-end using the Atlanta-based Sita system before the airline's own \$10m computer system takes over later on. Money is being spent on a new Karachi city terminal and on a Jumbo banger. The pilot training programme should have caught up with demand by 1980-81. A semi-automatic cargo complex is being constructed at Karachi and a pre-fabricated passenger terminal in take some of the misery out of domestic flights was recently completed.

Air Marshal Nur Khan does not look like a strong man. Relatively slight built, with something of a melancholy expression, he owes his position (he was appointed by Prime Minister Ali Bhutto, now under death sentence) to his track record as a manager and the reverential loyalty he inspires in the airline.

He does not feel he will be with the airline for much longer. "I could leave or the General (the military ruler General Zia Ul-Haq) could sack me any day," he comments. "I was willing to take risks and I am willing to take the risks and the decisions now," he remarks. "But the airline needs a new personality. I'm getting a bit stale. We've got a strong management team—the question is whether a new chairman and the Government will keep it on."

Continuity of tenure has not, of course, been a recent feature of life in Pakistan. Whether he goes or stays Air Marshal will have left his mark on the airline. He has carried a poor country's flag into a field of high technology at a time when the country itself has suffered successive jolts to its pride and confidence. Perhaps his greatest success will lie in what happens after his retirement. He has set the next challenge. Whether the airline can rise to it without his own supervision will be the ultimate test of his record and Government recognition of the airline's national importance.

PIA has so far bought two Boeing 747s with at least one more to follow next year

serve these routes on which the airline claims to have been the first to introduce wide-bodied aircraft.

This market is the real money-spinner, accounting for more than a third of all passenger-kilometres down. The Gulf is relatively close, ex-patriot Pakistanis return home much more frequently (on average every 18 months) than their compatriots in the UK and Scandinavia (around once every four years) or those in North America where the mainly professional immigrants are much more closely assimilated into the local culture.

Pakistan's position as a stagnating post between east and west has also been exploited by the airline. The volume of passenger traffic to and from the Far East has grown from 83,000 four years ago to 250,000 a year now.

More than half the airline's business is still "ethnic," especially in the Middle East. But 80 per cent of passengers on the New York run and 90 per cent on flights to the Far East are non-Pakistanis, and the airline says it could expand these services if it could get the approval of the various national authorities.

The next route expansion will be a link to Nigeria established

The backbone of this service is the fleet of Fokker Friendships which this year is expected to lose \$1.5m. Both DC-10s and 747s are used on the more profitable domestic trunk routes—the Karachi-Lahore service carried some 350,000 people last year.

Finally, to some extent the airline has been caught short by the speed of its own growth: it has had to lease six 707s to boost its capacity—an expensive expedient.

## Traffic

The new expansion plans entail a heavy programme of investment. In the period up to 1981, during which a 20 per cent annual traffic increase is expected on scheduled services, investment in aircraft will amount to some \$380m and in facilities to some \$75m. The present fleet consists of two 747s being bought from TAP: four DC-10s; 12 Boeing 707s or 720s; and eight Fokker F27 Friendships. There are also the six leased Boeing and one leased freighter.

Confirmed orders are for one 747 to arrive in July 1979 (and to be maintained entirely by worker were unavailable. The PIA) and for three Airbuses to

737 type.

If the Airbus is chosen as the corner-stone of the fleet by the same date there would be nine

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# Powell the perceptive prophet

by NIGEL ANDREWS

**Michael Powell**  
National Film Theatre  
**The Driver (A)**  
ABC Shaftesbury Avenue  
**Hollywood on Trial**  
ICA  
**The Odd Job (A)**  
Columbia

him turn up at the NFT most evenings during the next month and see for himself. What no one could dispute is that Powell is a dazzling stylist. He bent the almost intractable resources of early Technicolor to his own artistic purposes, and films like *A Matter of Life and Death*, *Black Narcissus*, and *The Red Shoes* are feasts of colour: never crudely applied, their exuberance always harnessed to the meaning of the shot or the sequence. Powell owns, among other foibles, to being an opera fanatic, and something of the delirious folly of opera as an art form communicates itself to his films. Where so much British cinema is characterised by a dour, chastened understatement—the Grierson documentary and its heritage—Powell's hyperbolic vision is like a freshening hurricane.

In fact, there has been a cinematic genius living in our midst since the 1930s, but it has taken a country of Britain's critical myopia not to recognise him as such.

Michael Powell is the film-maker who, mostly in collaboration with Hungarian-born writer-director Emeric Pressburger, made such movies as *The Spy in Black*, *The Thief of Bagdad*, *The Life and Death of Colonel Blimp*, *A Matter of Life and Death*, *Black Narcissus*, and *The Red Shoes*.

Britain is not so rich in great film directors that it can afford to ignore plausible claims to that title. Those unduly cynical might suggest that great British directors can be counted on the fingers of one finger, Alfred Hitchcock; and that even he has spent the last forty years in America, most of them as an American citizen.

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Such films as is an odd phrase when applied to such a head-spinning raz-bag of entertainments as the above, but Powell's genius lay in his ability to express a personal vision through a vast range of subjects. To my mind he is not only this country's greatest director—deserving a throne voluntarily relinquished by Hitchcock in the 1930s—but he is also the cinema's most perceptive prophet. Prophets are, proverbially, doomed to a cool reception in their own countries; but years of critical disrepute are not partly atoned for by a full-scale retrospective at the National Film Theatre. Better late than never, but still rather late; and I've never been so sure that a season of Powell's work should not be permanently on view. In patriotic repartee, the cinema's equivalent of the Royal Shakespeare Company.

If anyone thinks I am being reckless in my enthusiasm, let

i could go on about Powell, and often I have to be tied down

to be prevented from doing so. I don't think Hill himself made up his mind on the matter. The urge to frequent the season, and to join in the work of re-salvaging hybrid Hollywood valuing and reinstating the thriller, hedging its box-office bets by trying to be a film noir and an action spectacle at the same time.

Of the hundred-and-one ways to smash up an automobile, you would suppose that the cinema had left few unexplored. You would be wrong: happily or unhappily, according to taste. Walter Hill's *The Driver* is a compendium of novel techniques in auto destruction which stars Ryan O'Neal as a professional highway driver. Not just a driver, furthermore, but *The Driver*: since this is a film that trades in weighty archetypes and gives its characters no personal names. Bruce Dern plays "The Detective," for instance, and Isabelle Adjani as the girl who floats between the two men giving or withholding information (Dern is trying to track down and capture O'Neal) plays "The Player." Writer-director Hill, who made *The Streetfighter*, has an obvious fondness for the Hollywood film noir and swathes this movie in Stygian gloom. One suspects that it could, and perhaps more properly should, have been made in the 1940s: with Alan Ladd or John Garfield as *The Driver*, Veronique Lake as *The Player* and Hume Cronyn, mean and toothsome like Mr. Dern as *The Detective*.

All that distinguishes it from a "00s film, indeed, is the plethora of car chases, and those leap forth as dazzling but irrelevant set-pieces in a film whose central story of bluff and counter-bluff is wholly self-sufficient without them. Admittedly, "car chase" is not quite the term for the best action scene in the film, in which O'Neal scuriously displays his expertise to two men wishing to hire his services by driving them around an underground car park at 80 mph and breaking every breakable part of the car short of inflicting structural damage. But this one-man demolition derby merely adds to one's confusion about the kind of film one is supposed to be watching.

The film hit, or threatened to hit, so many tender nerves in 1983 that Churchill wanted its production halted and sent out copies to members of that effect. But Powell's film rode out the political storm and proved itself at once "explosive" and vindictive, more than a virulent squib thrown at the Establishment.

Deborah Kerr and Roger Livesey in "The Life and Death of Colonel Blimp"



Deborah Kerr and Roger Livesey in "The Life and Death of Colonel Blimp"

## Theatre Royal, Nottingham

### Die Zauberflöte

by RONALD CRICHTON

To tour the Glyndebourne natural comic quality needed to put over Schikaneder's hoary but nearly indestructible jokes, a quick-change gauze and drop in a music-hall comedian than in curtains, was a brave decision-cultivated singers like Mr. Jack. The older and larger theatres in the regions, though some of them (the Nottingham Theatre Royal being a shining example) have been modernised, are hardly staffed, or equipped to cope with such a show as this. In Nottingham the risk paid off. On Wednesday *Zauberflöte* went without visible hitch. And at least until it is cast with a bunch of major talents (something like this summer's galaxy at Salzburg) unlikely to fall within Glyndebourne's grasp, this production's strong visual impact will be the deciding factor.

There are few artists working in the theatre today, whether painters or full-time stage designers, capable of making and producing anything so continuously stimulating. But the Hockney designs do not make an easy background for young singers with still-developing personalities. Wednesday's cast (there are alternatives for most of the leading roles) did pretty well on the whole. Though his entrance is killed by a too brilliant red cloth draped over the hinder parts of the lion drawing his chariot, Willard White's nobly sung and spoken Sarastro would grace any company. As the Speaker of the Temple who expounds Sarastro's doctrines, Henry Herford showed that great weight of tone is not necessary when the understanding is there.

For the rest, the Glyndebourne virtues of thorough preparation were at hand. The Queen of the Night was an American visitor, Sunny Joy Langton, one half of an exchange scheme between Glyndebourne Touring Opera and Houston—the English baritone Philip Bromley will spend some months with Houston Grand Opera this winter. Miss Langton released her fireworks with Blimp accuracy, but the result was more soothed than evil or dramatic. Richard Jackson's Papageno, most sensitively sung, sought in vain for the

## Cologne

### Moses und Aron

by ELIZABETH FORBES

With one of the finest choruses in Germany and an orchestra—especially since John Pritchard took over as chief conductor—responsive to the most stringent demands made on it, Cologne Opera is better equipped to tackle Schoenberg's intransigent masterpieces than many other opera houses. By lifting the conflict (if such it can be called) between Moses and Aaron from its biblical context, Hans Neugebauer, the producer, has sought to universalise the irreconcilable differences in the two men's characters that lie at the heart of Schoenberg's

Certainly the problem posed by the unfinished state of the last act is underlined by this production. Though the programme prints the entire text of Act 3, with its final victory of Moses, the performance stops short at the end of Act 2, with Aaron in the ascendant, one is left with the suspicion that Schoenberg himself feared what Herr Neugebauer so ably demonstrates: the glib-tongued Aarons of this world usually triumph over their wretched but tongue-tied brethren. Moses, despairing of "O word, thou word, that I lack," makes a shattering climax in this context.

Achim Freyer sets the work in a square, sand-coloured box; not only the canvas walls of the box, but the entire east's clothes and shirts—wigs and make-up—are also a sandy shade that the lighting, masterly throughout, turns to gold during the second act. Apart from a few props, a cable-drill, a fallen telegraph pole, a heap of planks and the pedestal bearing the Golden Calf, the stage is bare. The chorus tends to hug the walls of the box, except in moments of particular tension; movements are stylised, though in the drunken and erotic orgies explicit enough.

Naked virgins cause few eyebrows to rise these days, and shocks must be more subtly administered, as when the Elders (seven representing 70) temporarily abandon their card game, and depuis for the Tribal

Casting for Pinter's 'Betrayal'

Harold Pinter's new play *Betrayal*, will open in the Lyttelton Theatre on November 15 (previews November 10, 11, 13, 14). Michael Gambon has been engaged to join Daniel Massey and Penelope Wilton in the principal roles, in a production to be directed by Peter Hall and designed by John Bury.

## Festival Hall

### Daniel Chorzempa

by NICHOLAS KENYON

We have heard all too little of part counterpoint in the slightly

Daniel Chorzempa's idiosyncratic dry fugue. Four of Schumann's Fugues on B-A-C-H were also tightly controlled, soberly restrained (even the chirrupy little scherzo version of the theme), but here a little more relaxation might have been in order. And welcome though it was to hear the meandering prolixities of Cesar Franck's *Fantaisie* in a played for once without any sentimentality and with absolute clarity of texture. Chorzempa provided a curiously un-atmospheric view of the piece—the strength of purpose he found in the Bach was inevitably absent here, and a sensitive moulding of each phrase could not entirely compensate.

Perhaps the reputation for flamboyance is one that Chorzempa has come to dislike. At any rate, his early evening recital on Wednesday at the Festival Hall was a rigorously disciplined affair. The discipline suited Bach's C minor Prelude and Fugue admirably: a deliberately paced performance allowed the full weight of the antiphonal chords in the prelude to be heard (Chorzempa is a master of the precisely timed release of the organ keys), and enhanced the accumulated weight of the five

## Vaudeville

### An Evening with Dave Allen

by B. A. YOUNG



Leonard Burt  
Dave Allen

I suppose most of the people is a saloon-bar treatment, never likely to be tempted to an evening with Dave Allen will know abusive, pouncing sharply on leaping ambiguities, occasionally venturing on an anecdote, what he does, and the stage show is much like the TV, except that a film shortly after the war, scripted I think by T. E. B. Clarke,

If you want to gauge the standard of taste, I must report he strides on to an empty stage surrounded by black drapes, that there is a good deal of reference to the less public parts of the body and their functions, so that he can lean his left elbow on a microphone stand, gives us through a microphone his simple, disrespectful ideas about drink, statuettes, mothers, sex aids, men with their files open, conformity, dogs, farts, politicians, racism, Ian Paisley, the all in some great saloon-bar Pope, the Queen, God, the Old Testament and so on. He was an explosive delivery that sends Allen is clearly just the thing the speakers like backfires. You mockery is the only acceptable subjects of a typical saloon-bar as soon have an evening with conversation, and his treatment Clive Jenkins.

## Leningrad Philharmonic

by DAVID MURRAY

There was an unaccustomed kovich showed Jansons in a hard glare about Wagner's *Meistersinger Overture* on Wednesday, though few in the audience will have taken it for Berlioz's "Roman Carnival." The posters about the hall still promised the latter work; the programmes got it right, but yet again the Festival Hall ran out of them before the concert began. Whether that represented the Russian manner in Wagner, or the particular Leningrad sound, or just the style of the conductor, Mariss Jansons was hard to say. Certainly the Leningrad Philharmonic is a stably disciplined body, and its trombones have a menacing snarl. They all play with precise collective intensity—the sharp-focus unanimity of the cellos and basses was notable—and (under Jansons, at least) an absolute minimum of nuances.

In *Chайковский's Violin Concerto* the soloist was Victor Tretiakov, sweet and even of tone, holding the lyrical centre of things quite alone. Such assistance as Jansons gave him was ill-judged. In one way the conductor was too scrupulous, banking the orchestral fires as if every solo note were too precious to risk covering; in another, he was an unsympathetic time-keeper, his inflexible beat regularly braking any exciting surge by the soloist. Anyone who expected a riot of Slavic passion, even in the Finale, must have been disappointed.

The Fifth Symphony of Shostakovich showed Jansons in a better light, it was rigidly expounded, and allowed to melt nowhere; but the icy conviction of the reading was impressive. The tempo-relations were sometimes surprising, but they were sharply effective—though surely the tension ought to be relaxed at the close of the first movement more than it was here. No snooks were cocked in the Scherzo, which wore a fixed grimace. The orchestral textures—"strata," rather, as with rocks—were made flawlessly lucid throughout. Jansons displayed a readily perceptible view of the work, and its cheerless impact was remarkably strong. What ever happened to Soviet optimism?

## Moroni exhibition at the National

The first-ever exhibition

speci-

ally on the works of Giovanni Battista Moroni opens at the National Gallery on November 14, and continues until January 14. It commemorates the 400th anniversary of the death of this North Italian painter.

Moroni, who became a local hero almost immediately after his death, worked mainly in Bergamo and Brescia. The exhibition will concentrate on his portraiture, at which he excelled.

The first-ever exhibition specifically on the works of Giovanni Battista Moroni opens at the National Gallery on November 14, and continues until January 14. It commemorates the 400th anniversary of the death of this North Italian painter.

The standards are not those by which I choose to live, but no doubt I am old-fashioned, for the audience giggled, saufed and even clapped as if we were Irish, the Jews, birth control, the all in some great saloon-bar Pope, the Queen, God, the Old Testament and so on. He was an explosive delivery that sends Allen is clearly just the thing the speakers like backfires. You mockery is the only acceptable subjects of a typical saloon-bar as soon have an evening with conversation, and his treatment Clive Jenkins.

In March 1978, the Zambian kwacha was devalued by 10

per cent as part of the agreement whereby the International Monetary Fund is providing Zambia with financial assistance totalling \$10.35 million, equivalent to approximately K322.6 million. Under the agreement conditions which the mining industry has been requested to meet include an improvement in profitability to the extent that NCCM and RCM at least break even by the end of 1978, a limitation on borrowings from the Bank of Zambia and the production of 670,000 tonnes of copper during the calendar year.

The devaluation of the kwacha will assist the companies' return to profitability in that currency, but higher costs will be encountered as a result of the increased cost of imported items. It has also been necessary for NCCM and RCM to make special devaluation charges amounting to K16.3 million and K7.1 million respectively.

At NCCM, the 12 per cent reduction in production is attributable in the main to the loss of skilled and experienced personnel and shortages of spares. These factors resulted in poor maintenance of major treatment plants, which led to reduced rates of recovery. Periodic acute shortages of essential supplies also adversely affected the availability of plants. Copper sales totalled 384,580 tonnes compared with the previous year's figure of 425,931, with an average realisation of K1,002 per tonne compared with K1,072 per tonne in 1977.

**Botswana RST Limited (BRST)**  
ZCI holds an 11.75 per cent interest in BRST, which in turn holds 88 per cent of the equity in BCL. The balance of 15 per cent in the equity of BCL is held by the Botswana Government. Shareholders were informed in detail in the circular to members dated 10th April 1978, of the restructuring arrangements for BRST and BCL and the consequential adjustment in the relationship with Minroc, that the directors warned that it might be necessary to provide in full against ZCI's investment in and loans to BRST and BCL. After careful consideration, and in the light of the continuing depressed price for copper and nickel and the loss of P35.5 million recorded by BRST for the year ended 31st December 1977, they decided that it is necessary to make such a provision. The balance of the deficit on extraordinary items relates to losses on certain assets resulting from the devaluations of the Rhodesian dollar and Zambian kwacha during the financial year, and the write-down of certain Zambian assets.

The balance of dividends declared by NCCM and RCM prior to December 1974, amounting together with accrued interest to the kwacha equivalent of US\$6.65 million, is still awaiting externalisation from Zambia.

## Copper market

There was little material change in the state of the world copper market during the financial year under review. Prices remained generally depressed in the face of substantial world copper stocks, and a lack of concrete evidence of a recovery in the economies of the industrialised nations. London Metal Exchange (LME) stocks rose from 598,000 tonnes in mid-1977 to 641,000 tonnes by the year-end, while LME prices declined from \$708 per tonne in July of last year to \$665 per tonne by the end of 1977. World copper stocks at that time were estimated at some 2.2 million tonnes.

During the first half of 1978, certain events affected the international copper market, but apart from temporary

material effect on the overall situation of over-supply.

Although a proposal for a 15 per cent cutback in production failed to gain support from Chile at the December 1977 conference of the Inter-Governmental Council of Copper Exporting Countries (CIEPEC), in early 1978, Zambia, Zaire and Peru announced a 15 per cent cutback in production.

In March of this year, Zambia declared a 15 per cent force

major reduction in deliveries of copper for the remainder of the year due to congestion at the Tanzanian port of Dar-es-Salaam and rail transport difficulties.

The invasion of Zaire's Shaba province by secessionist forces in May of this year led to a severe dislocation of that country's copper mining industry, and resulted in a 50 per cent force

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## FINANCIAL TIMES

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Friday October 6 1978

## Dollar doubts intensify

THE RENEWED fall in the dollar in the last few days is potentially the most disturbing development in the whole protracted crisis of the U.S. currency, because for the first time it is taking place against a background of reasonably determined domestic action in the U.S. to correct the situation. It now seems that persistent portfolio switching by central banks outside the main industrial countries—mainly by some Communist countries and some in the developing world—is partly responsible for the persistent selling pressure. This is being met, reluctantly, by renewed intervention by the countries most concerned with the over-valuation of their currencies; but as experience with sterling has shown, portfolio pressure is hard to stop.

### Unsophisticated

As with sterling, portfolio selling has developed remarkably late, and when the currency concerned appears to be undervalued; but unfortunately the trouble is not being caused by sophisticated speculators who might be expected to change their view rapidly as new evidence appears. The authorities concerned have had the unhappy experience of watching the value of their dollar reserves fall heavily over recent years, and are naturally anxious to reduce their exposure to risk in any one currency.

In addition, their reserve needs have changed. Currently the dollar are now pegged to the SDR or in some other unit defined in terms of a basket of currencies, and these currencies may be required for intervention.

In addition there is a growing weight of international debt denominated in currencies other than the dollar—partly the result of efforts by strong currency countries to encourage capital outflows. Reserves must partly reflect debt obligations.

For all these reasons, portfolio selling pressure is likely to persist unless the prospect for the U.S. balance of payments is transformed dramatically enough to lead some speculative attraction to the currency—just as an improving oil prospect, coupled with the availability of high domestic interest rates, brought the switch out of sterling to a sudden halt at the very time when it became official policy to run down sterling's reserve role. The present market situation means that the

unfortunate

Since the central banks which are diversifying are small, intervention by a few strong economies can be doubtless on a scale sufficient to slow the dollar's decline; but the results are unfortunate. Switzerland, for example, has now been forced into a declared and highly uncharacteristic policy of monetary expansion, and Japan is pursuing a still more active foreign lending policy. These measures are potentially inflationary, and add to the pressure for portfolio switching and the ease with which it can be achieved. Proposals to tackle the problem of the dollar's reserve role in a more orderly way through the International Monetary Fund, widely canvassed two or three years ago, have largely been forgotten; but it may soon be time to start thinking again about possible long-term solutions.

## Priorities in world steel

THIS WEEK'S meeting of the International Iron and Steel Institute in the U.S. has provided another opportunity for the American steelmakers to wave the big stick at their foreign competitors. The main target has been the Europeans who, it is alleged, have been engaged in irresponsible price-cutting in order to obtain extra business in the U.S. The Americans have called for greater discipline, warning that unless the Europeans mend their ways a series of anti-dumping actions will be launched. The Japanese have suggested that a way out of the impasse might be an extended system of voluntary restraint agreements between Japan, the U.S. and Western Europe.

**Unfair**

In this debate the Americans present themselves as the injured parties, playing the game according to the rules while their overseas rivals are taking advantage of them through unfair trading practices. This is a misleading picture. In the first place, it is not the case that the sale of cheap foreign steel in the U.S. has been made possible by Government subsidies. A study by the Carter Administration's Council on Wage and Price Stability showed that, outside the U.K., the amount of subsidy paid to steelmakers by foreign governments was not significant and certainly not an important factor behind the growth of steel imports into the U.S.

Second, one of the potentially disruptive elements in the situation is the U.S. Antidumping Act which, as amended in 1974, uses a different definition of fair pricing from that which is generally accepted by other countries. If home market prices in the exporter's own country are below average production costs (as can easily happen during a severe recession), the Act requires that the fair value of exports should be calculated as the sum of direct production costs, 10 per cent overhead and profit equal to

the necessary adjustments, are more likely to be brought about by competitive pressures, including price-cutting, than by international agreements which attempt to regulate volumes and prices. Voluntary restraint arrangements, designed to provide a temporary breathing space, can all too easily become permanent. As experience in textiles has shown, there is always a temptation for the importing countries to prolong and tighten the restrictions. In steel the adjustment process poses difficult social and political problems, but it is this issue not market-sharing, which should be at the top of the industry's agenda.

### Adjustment

The necessary adjustments, are more likely to be brought about by competitive pressures, including price-cutting, than by international agreements which attempt to regulate volumes and prices. Voluntary restraint arrangements, designed to provide a temporary breathing space, can all too easily become permanent. As experience in textiles has shown, there is always a temptation for the importing countries to prolong and tighten the restrictions. In steel the adjustment process poses difficult social and political problems, but it is this issue not market-sharing, which should be at the top of the industry's agenda.

# NEB's ambitious new plans on the electronics front

BY MAX WILKINSON

NATIONAL ENTERPRISE

Or public folly? The question is certain to be raised by a new series of plans for state capitalism to move into several new and highly competitive territories of the electronics industry.

The strategy, now being drawn up by the National Enterprise Board, envisages four simultaneous thrusts into areas of business at present dominated by foreign multinationals. The plan, costing a total of perhaps £150m, will therefore be the first major test of the NEB's ability to exercise leadership in the borderlands of new technology.

It has grown out of a combination of accident and design, to create a new capacity in sections of high growth which private capital has largely failed to exploit.

It is therefore very different from the rescue operations which have taken up most of the NEB's time and money since it was founded three and a half years ago.

The electronics sector is the first for which the NEB has formulated a coherent long-term strategy, mainly because it is the sector in which it happens to have the largest number of investments.

Of its 16 subsidiaries, half can be classified as being in the electronic or data processing field. Out of the total portfolio of 42 companies in which the NEB has substantial shareholdings, just under 30 come into this category.

The largest of the electronics subsidiaries is Ferranti. The NEB inherited a controlling share in the company from the Government in 1976, after a rescue operation in 1975. With the help of new management, Ferranti has pulled sharply out of its nose dive. A 1975 loss of £500,000 has been turned into a pre-tax profit of £11m last year on a greatly increased turnover of £85m. In the long term Ferranti could have a central position in the NEB's strategy for electronics, but there is no evidence as yet of any major plan to integrate it with the other companies in the NEB fold.

The other large company is International Computers Limited (ICL) in which the NEB holds a 24.4 per cent stake. ICL has also been a successful example of the marriage of public money and private enterprise, but like Ferranti it will probably be left to its own devices for the next few years.

ICL has emerged from its early difficulties to become the strongest European computer company with sales approaching £500m a year of which about half come from overseas. The cost to public funds has been £12m for the equity stake plus £40m loan for development costs.

However it just happened that Dr. Dick Petrizzi, a Dallas venture capitalist, and two associates wanted cash to set up a new semi-conductor company. I

The NEB has taken a very passive role in the running of ICL. However it is an example of the general way in which the NEB hopes to use public money as a "pump priming" to co-ordinate and stimulate the efforts of private companies in newly emerging markets. On

The NEB did a deal with them in surprisingly quick time. And it certainly showed flexibility in being prepared to make one or two Americans into millionaires as the entry price into a U.S.-dominated technology.

The NEB's entry into computer software has been by an entirely different route. Rather than buying U.S. expertise in the case of ICL, it aims to co-ordinate the talents of a number of relatively small UK companies and market their skills in America. The venture is based on the premise that programming expertise is the NEB's good, and in U.S. terms, relatively cheap. However, most of the companies which sell software are used to producing tailor-made systems for individual customers. They do not have enough capital to devise standard programmes off the cuff, which could then be sold to large numbers of different customers abroad.

These are:

- Semiconductor integrated circuits.
- Computer programming (software).
- Computer peripheral equipment (printers, magnetic storage devices, etc).
- Office equipment.

The NEB strategy for the first two groups has already been disclosed. It intends to enter the risky market for standard mass-produced semi-conductors with a completely new sub-

To fill this gap, the NEB set up a marketing company called

INSAC, whose main job will

be to sell abroad computer pro-

grams devised by UK compa-

nies. INSAC will not actually

INSAC fails to do this, the com-  
panies will continue on their  
independent ways much as they  
did before.

Like Immos, INSAC is a fairly risky business, and sceptics are facing both is whether the big computer groups in the U.S. will be prepared to place significant business with government-owned companies across the Atlantic. Investment in INSAC and associated companies could reach £20m, and there is always the risk that it will be money down the drain. On the other hand if it is successful the return on the investment will be very high, and the spin-off could be important.

The NEB's strategies for the other two sectors in electronics have not yet been published, although some fairly detailed plans have been made internally. The development of computer peripherals centres on the

Computer Recording Instrument Company (DRI) in which the

NEB set up a controlling share

for £5m in July, 1976. DRI

makes disc drives for magnetic

storage. With sales of £20m a

year it is the largest indepen-

dent European company in its

sector.

The NEB's first option, there-

fore, would be to set up a com-

pletely new office equipment

company as it did with Immos

in semi-conductors. However,

the investment and the risks

would be so enormous that this

possibility can be rejected out

of hand.

The other possibility would be

to set up a marketing organisa-

tion on the lines of INSAC, as a way

of co-ordinating the efforts of a

number of smaller independent

and small business computers to date word processing system and is a leading company in the processors. Although the U.K. design of data communications systems, Systime, the Leeds main-computer company which is part of the INSAC group, could provide small business computer systems, and Multic

operates, could contribute its facsimile transmission system.

Computer and Systems Engineering, a small company in the office communications sector in which the NEB has a 49.8 per cent stake, could join the group. Computer Technology Limited, the small mini-computer company, might co-operate with the development of a word processor. Monotype, recently reacquired by the NEB and

Barclay's Bank, could contribute electronic text editing expertise.

Although the NEB is now thought to have agreed in principle to the scheme, the question remains whether companies will be prepared to cede their all-important marketing rights to a state-owned company. Unless they agree to this, the scheme would not have much chance of success. Even then it remains an open question whether a state marketing company can become a credible competitor with the multinationals without integration between marketing, manufacturing and design and development.

The four sections of the electronics industry to which the NEB is giving its first priority will clearly start to overlap in a few years' time.

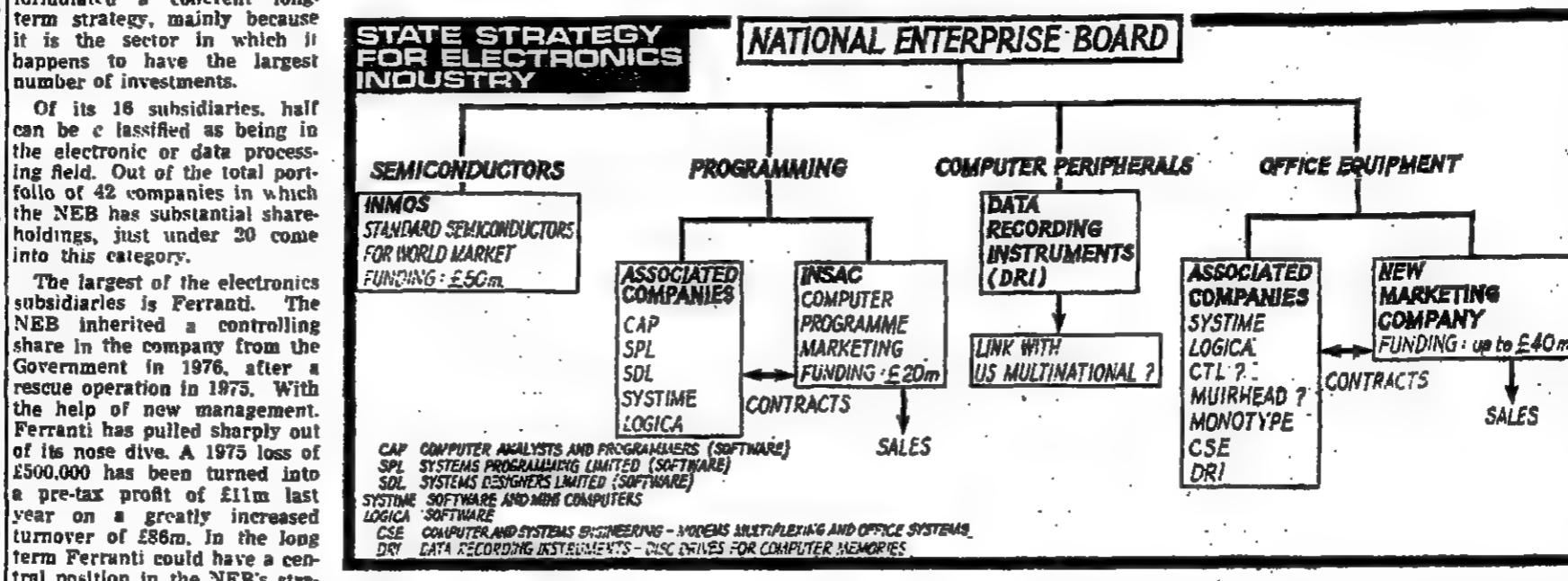
So the NEB may soon need a much more complex management structure to co-ordinate all the various strands of activity. If it is to compete with big multinationals, it will probably be forced to behave like one. This would probably mean much more specific plans for integrating Ferranti and ICL into the overall strategy.

However, so far the NEB does not appear to have paid much attention to this longer-term question. Its major effort is being spent trying to make the four new enterprises successful, on the principle that you must walk before you can run.

It is easy to anticipate objections to the new phase of state intervention in electronics. Many will point to the failures of British Leyland and the inflexibility of the Post Office and say: "Beware."

But, alas, market forces have failed so far to create UK groupings strong enough to hold back multinationals over a broad sweep of electronic products. Now even the successful bastions of the industry are in danger of being isolated and cut down by competitors.

So to those who ask why the NEB should appoint itself captain of this section of industry, the answer may simply be: "Because it is there."



## MEN AND MATTERS

### Choice recruit for NEB

Why should a senior executive with Shell give up his career with the company at the age of 48, take a drop of almost half in his salary and throw in his lot with the public sector? When I put this question to Gerald Fairlough his answer was disarmingly simple—a declaration of support for the public sector of the sort one hardly expects from the man who has been managing director of Shell Chemicals UK and the statement "I think my colleagues were right." Fairlough is different.

Thirdly, the difficulties of the American steel industry cannot be wholly or even mainly attributed to imports. Even before the present recession the American industry had been suffering from sluggish growth in productivity, too much obsolete plant and inadequate profits.

The underlying problem is that the world recession has exposed the competitive weaknesses of a number of producers in the traditional steel-making countries. The outlook over the next few years is for continued over-capacity, a very slow rise in demand and further inroads by new steel-making countries in the third world. The task for the old-established steel producers, in Europe as much as in the U.S., is to adapt to these difficult circumstances, to reduce their manufacturing costs and to bring capacity into line with demand.

**Adjustment**

The necessary adjustments, are more likely to be brought about by competitive pressures, including price-cutting, than by international agreements which attempt to regulate volumes and prices. Voluntary restraint arrangements, designed to provide a temporary breathing space, can all too easily become permanent. As experience in textiles has shown, there is always a temptation for the importing countries to prolong and tighten the restrictions. In steel the adjustment process poses difficult social and political problems, but it is this issue not market-sharing, which should be at the top of the industry's agenda.

and determined aficionados confess that their attempts to recreate the required atmosphere of breathless hush usually dissolve into self-serious farce under the incredulous attention of Chinese spectators.

"Imagine trying to field a ball at short square leg among a forest of unyielding Chinese feet," said one player. "You try to remember the Chinese phrase for 'Please give me the ball' while the runs mount up—five . . . six . . . seven . . . eight . . ."

The last recorded match in Peking was between Australia and Canada. The Australians had mislaid their equipment, so the game was played with baseball bats and a tennis ball. The umpire was kind: nobody was allowed to be out until he or she scored one run. As for this was in fact an Australian secretary who caught a ball in her towelling hat.

Sadly the game was finally abandoned in a rainstorm. Nobody had remembered to keep the score but it was agreed, at least among the Australians, that the Canadians should lose—because they cheated by fielding a side of 51 players.

**Chinese cricket**

One thing likely to preserve the gulf between the Chinese, and other nationalities is the stubborn addiction of some westerners to cricket. No amount of diplomacy will dislodge the Chinese from their view that foreigners who dress in white, throw ball at each other, and run aimlessly back and forth must be basically untrustworthy.

The foreigners persist, how-

ever. Among the expatriate Australians, British, New Zealanders, and also Indians and Pakistanis, enthusiasts still seek to breathe some life into Peking cricket.

But assiduous research has uncovered only one space in the entire city on which a quasi-serious game is possible—which Julian Lowe, lecturer at Bath University, described as

"more brisk than balmy" was how the Mayor of Brighton described the town's breezes as he greeted the 270 delegates to the 45th Clean Air Conference on Monday, but yesterday a member of the National Society for Clean Air was less complimentary. The breezes were "horrible when the conference started," he said. Still, the delegates seemed to have been impressed with what they had heard, in particular with yesterday's talk on the economics of clean air or rather "how much pollution is good for us?"

**Unusual breezes**

A reader who recently visited Jordan tells me that he asked a taxi driver if he had ever had any trouble with the P.L.O. "Only once," came the reply. "One night they shot at me and one paper said they missed me by ten yards; another paper said it was five yards and a third that it was only two yards. If there had been more papers, I could have been killed."

**Closing up**

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# Labour's shape of things to come

THERE HAVE been two main battles in Blackpool this week. On the one hand the Government has been fighting for its pay policy, while on the other the Labour Party after the general election has begun. The two campaigns are not entirely unrelated.

To start with, there is a certain amount of common ground. Hardly anyone now believes that the party's chances of winning the election are at all good. Indeed the range of opinion seems to vary only between those who think that the election is still worth fighting and those whose minds are already turning to the question of what happens after defeat. There is also perhaps a certain division between generations.

The Government's present strategy was put very simply by Mr. Denis Healey, the Chancellor of the Exchequer, in the incomes policy debate on Monday. There were, he said, two keys to winning. One was to keep inflation under control and the other was to strengthen the authority of Mr. James Callaghan, the Prime Minister, in the Labour movement. Such was the importance of the struggle against inflation that, he claimed, the outcome of the election could be settled by Monday's debate.

As everybody now knows, the Government lost by a majority of two to one. What is more remarkable, however, is that Mr. Healey clings to the same view. He believes that the Government has been badly defeated, and it is their conclusion that matters. Far from weakening the counter-inflation policy, they are ready to strengthen it. Suggestions that the 5 per cent earnings figure is about to be officially raised to 7 per cent, if only by a wink and a nod, pening in Blackpool is that on some star-studded shows.

It is possible to argue here should be discounted. It may be various groups within the party that the Chancellor is being not achieved, but the Chancellor have been coming out into the over-optimistic, perhaps as a result of being over-sanguine to fight on.

Mr. Callaghan spoke in his address on Tuesday of additional fiscal and monetary measures if necessary. But it is not only that. It now seems more likely than ever that the country will enter the European Monetary System at the end of this year, the decisive argument now being that British participation could act as a further constraint on monetary expansion—and also a help in times of trouble. Not least, there is a general assumption, even expectation, that Mr. Callaghan will have to further talk between the Government and unions, and so do his utmost to go on until next October.

Besides, the fact that such events could take place without the slightest effect on sterling was surely a sign that the outside world at least was unperturbed. It is not entirely normal for a Labour Party Conference to leave the pound unscathed. (The official comment on that is that the markets are too stupid to be able to concentrate on more than one currency at a time, and this week they were too busy thinking about the dollar.)

**Fight on**

That may be the logical view, but it is not the view of Mr. Callaghan and Mr. Healey. They believe that the Government has been badly defeated, and it is their conclusion that matters. Far from weakening the counter-inflation policy, they are ready to strengthen it. Suggestions that the 5 per cent earnings figure is about to be officially raised to 7 per cent, if only by a wink and a nod, pening in Blackpool is that on some star-studded shows.

Partly because of the re-emergence of Europe as an issue, Mr. Rodgers, Dr. Owen and Mrs. Williams have tended to appear on the same platform.

There are perhaps six key figures: Mr. Anthony Wedgwood Benn, Mr. Roy Hattersley, Mr. Peter Shore, Dr. David Owen, Mrs. Shirley Williams and, in the background, Mr. William Rodgers.

## On his own

Mr. Benn is very much on his own, remaining a member of the Government while making it perfectly plain that he disagrees with many, if not most, of its policies. He has had a good conference, addressing fringe meetings and embracing all the fashionable Left-wing ideas with an air of sweet reason. (Why not sanctions against Iran if we're going to campaign for human rights in the Soviet Union?) If he has remained united, the rest of the Cabinet, for whatever reasons, will probably go along with them. It comes back to what Mr. Healey said on Monday: the Government has two keys to winning—counter-inflation and what is more, he manages to act without an impression of conspiracy. "Discussion," he says, probably rightly, "is good for policy."

The Right, by contrast, rarely if ever is taking place alone. Indeed, wherever against this background, it is there is a Right-wing gathering generally assumed that if it is a pretty good guess that Labour loses. Mr. Healey will Mr. William Rodgers in some drop out of the succession behind him. He is not himself an obvious candidate matter of personalities. It is also the passing of a generation and there is, too, a genuine guardian of the Social Democratic tradition. But as a political impresario he has put

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He could expect to pick up some on the Right who still regard him as "one of them." The balanced by the comments of also from the Left. Mr. Michael Foot, for instance, is said to regard him as one of the best fiscally capable of trimming his Member for Bolsover attend his

first meeting of Wednesday and heard him subsequently addressing the Tribune Rally. They were appalled. "That man" is running out of people and ideas. Other impressions from Blackpool reinforce this assessment. Whatever Mr. Healey may insist on thinking, it has been a good conference with the party again coming to life.

There were blemishes, to be sure. If one wished to be polemical, one could pick on the election of Mr. Dennis Skinner, the Member for Moseley, to the National Executive. Mr. Skinner's sole claim to notice is that he belongs to the offensive far Left. Yet in the NEC poll he received 261,000 votes, against 158,000 for Dr. Owen, 145,000 for Mr. Shore and 142,000 for Mr. Hattersley, none of whom was elected. That is the way the Labour movement judges its own people, and indeed the choice of Mr. Skinner is an encouragement to others on the far Left to seek advancement by being more and more outrageous.

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## COMPANY NEWS

### Static second half leaves Bejam down at £4.42m

FOLLOWING A £0.32m fall at midway, second-half pre-tax profits of Bejam Group, retailer of frozen food and domestic deep freezers, were little changed at £2.08m against £2.14m last June, leaving the figure for the July 1, 1978 year down from a peak £4.8m to £4.42m.

The 1978-77 result was boosted by exceptional climatic circumstances which gave rise to an 80 per cent increase over the previous year's profit.

In March, when reporting lower first-half profits of £2.34m (£2.85m), Mr. J. D. Anthony, the chairman, said that until frozen vegetable sales regained their normal level it would not be prudent to expect record profits for the year.

He now states that current sales of £4.42m and freezers are very satisfactory, and says he feels reasonably optimistic concerning the company's earnings growth in the current year.

Turnover for the year advanced £11.7m to £80.98m, which was split as food £53.01m (£72.28m) and freezers and other £27.06m (£8.9m).

After tax of £31.00m (£53.00m), reserves fell from 2.86p to 2.58p per 10p share. The dividend total is effectively lifted from an equivalent 1.452p to 1.623p per share.

A scrip issue of one cumulative preference share for every 30 ordinary held is also proposed. As at July 1, 1978, 1,100,000 options to buy further food centres and freezers have subsequently been opened. In addition, new stores at Bedford, Gravesend, Harrow, Lincoln, Salisbury, Tonbridge and Tottenham should be operating by Christmas.

#### • comment

Bejam warned, when it reported a 12 per cent setback in first half profits, that its full year profits would fall short of the 1978-77 record. So the latest figures, showing only a small drop in second half profits leaving the year 8 per cent lower overall, is exactly what the market had been expect-

### HIGHLIGHTS

Sears has had an excellent first half with profits 72 per cent higher reflecting a 60 per cent jump in the dominant footwear divisions and a turnaround at the loss-making situations. EMI's recent warnings on its setback in medical scanners were justified given a loss of £13m on this product and overall profits are more than halved but the dividend has been maintained.

Completing the Lex column is Clive Discount where the first

half results compare unfavourably with those at the same stage of last year. Profits at Bejam are lower but this was intimated at the half way stage and the current year has started on a more buoyant note, while a first time contribution has given a useful boost to Wolseley Bronze.

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### Further improvements in profits and liquidity for Illingworth, Morris

#### Extracts from the Statement to Stockholders by Mr. Ivan C. Hill, Chairman

The action being undertaken to achieve the objectives outlined in my previous Chairman's Statement has continued during the past year, resulting in a more acceptable level of profit, improved liquidity and a more compact management operation. Profit before taxation increased by £1,846,000 to £4,760,000 after crediting a realised surplus of £374,000 on the disposal of land and buildings. Re-organisation expenditure amounted to £573,000. I am pleased to report an improvement in liquidity of nearly £2.5m. The Group has disposed of a portion of its investments since 1 April of this year which has further reduced the high gearing.

**The future**  
In endeavouring to look to the future it is inadvisable to ignore past economic influences or to underestimate the impact of governments' policies on the prosperity or even the survival of each individual industry. For example, to place a burden on companies so that it is more expensive to stop an unprofitable activity than to allow it to remain in being, ties up resources which could be better used in new investment and job opportunities.

Neither at home nor abroad are current trading conditions easy. To maintain or improve upon the profit of the year under review will require unmitigated effort and an upturn in international trading.

#### RESULTS AT A GLANCE

Year ended 31st March	1978	1977
Sales	£'000	£'000
Profit before Taxation	4,760	2,915
Profit after Taxation	3,456	1,685
Dividends	669	606
Earnings per Stock Unit	9.88p	4.60p

The largest wool group of its kind in the world

Registered Office: Victoria Road, Saltaire, Shipley, West Yorkshire BD18 3LD



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### EMI Scanners

### lose £13.2m

BY CHRISTINE MOIR

EMI's preliminary figures, published yesterday, contained for the first time a detailed five-year breakdown of sales and profits for the medical electronics division where losses of £13.2m on this product and overall profits were incurred last year.

Mr. Leonard Sainer, the chairman, reveals that sales peaked at £92.2m in 1977 having risen from £5.1m in 1974 and profits reached a height of £14.7m in the same year before collapsing in the past 12 months as a result of cuts in hospital spending in the U.S.

Sales in the U.S. dropped from £65m in 1977 to £24m last year. Overseas sales outside North America increased from £2m to £22m.

Prospects are still not good for the current year when total orders for scanners worldwide are expected to be only between 120 and 160 units compared with a peak of 470 in 1976.

However, Sir John Read, chairman of EMI, says that the picture was not as gloomy as the picture suggests. "Sales were also down but the downturns made worse by the start up costs of a major new distribution centre and union problems."

In the Netherlands, trading conditions were similar and there were additional running in costs for the new factory as well as closure costs on the old.

The breakdown of EMI's trading profits by division was not, however, all slump. The leisure division made a strong increase both in sales—up to £12.2m from £9.5m—and profits—£1.8m compared with £1.2m.

Higher cinema admissions, a film profit from the first year since the acquisition of the Tower Hotel and bingo receipts were the main factors.

In the current year, the first revenue is expected from the new film business. Yesterday, Mr. Richard Watt, the finance director, said that advance bookings and guarantees for "Death on the Nile" had already covered the group's film investment in the film.

There was an extraordinary increase in new store openings, though there was only a 10 per cent increase in selling area.

Outside estimates are pitched around £5m pre-tax for this year and on that basis the fully taxed pre-tax drop from 16.5 to 12.3 pre-peak—which is still very much a glamour rating.

### Profits slump for Assam Frontier Tea

Pre-tax profits of Assam Frontier Tea Holdings—33 per cent owned by Sime Darby Holdings—slumped from £4.23m to £2.36m for 1977.

After tax of £1.89m (£3.17m)

earnings are shown at 51.43p per £1 share compared with 110.85p and the dividend for the year is 12.1p with a final of 10p.

There was an extraordinary

debit for the year of £224.19p (nil) and there was a £3.94m

per cent up so far—and freez

ers in the first quarter are 30 (17.600) transferred free reserves per cent up on the comparable £3.31m (£1.07m).

### Sears eliminates U.S. losses and jumps 72% midyear

HELPED BY a turnaround in profit in the engineering division and the elimination of losses in the U.S. taxable profits of Sears Holdings jumped 72 per cent from £18.5m to £31.9m for the six months to July 31, 1978, on turnover of £35.2m.

This was one element in the high 55 per cent tax rate, which produced attributable profits of only £7.8m and fully diluted earnings of only 7.1p (£23.7p) per share.

Losses in France and Australia are expected to turn positive in Australia the group sold its consumer electronics business to Rank last year after incurring heavy losses as a result of extremely difficult economic conditions.

However, the current period has started well and the full-year results should show a satisfactory improvement over the previous year, he adds.

In France, there were also a

number of factors which

helped to turn the picture

around in the U.S. market.

Trading profits for the six

months by division are (£'000):

Footwear retailers and manufacturers £17.929 (£11.402); departmental stores, jewellery and other retailing £5.800 (£5.308); engineering £2.955 (£2.955); motor vehicle sales, service and delivery £2.100 (£1.711); general trading offices £6.581 (£4.178); property development £2.064 (£2.209); and linen hire, industrial laundries and kniwear distribution (U.S.) £3.522 (£2.729 loss).

Mr. Sainer reports that the upturn in consumer spending in the U.S. has been particularly beneficial to the engineering division.

"While the departmental stores have not done as well as might be expected, this is due to the fact that in 1978 we have not had the advantage of the dramatic increase in sales to tourists which was achieved last year."

"The increased profits earned

from the licensed betting offices were primarily due to the effect

of unsettled weather on racing

conditions in the UK and it should

be appreciated that in this business results must necessarily be subject to fluctuation," he says.

As indicated at the last annual

meeting, interim dividends are to be introduced and the first pay-

able dividend is £13.56m (£6.11m).

See Lex.

### Warne Wright sees same profit

WITH pre-tax profits up from £63.600 to £674.600 at midway, experienced short-time ceasing its operations in the Middle East. This should be referred to its operations in Saudi Arabia. The company has a wholly owned subsidiary in Bahrain as well as operations in Qatar and it is continuing to look for further opportunities.

### ISSUE NEWS

#### AGRICULTURAL MORTGAGE

The Agricultural Mortga Corporation has issued £m 10% per cent Bonds dat October 12, 1978 at par.

A proportion of the bonds are made available in the market for members of the public who deal in the bonds.

Interest will be payable h. yearly, by warrants as follows on April 12, 1979 at the rate £33.125 per cent and on October 12, 1979 at the rate of £35.125 per cent.

The bonds will be redeemed on October 12, 1979.

The bonds are registered in multiples of £1,000 and transferable free stamp duty. Brokers in the issue are Mullen and Company.

#### WEST KENT PREF. STOCK

West Kent Water Company offer for sale by tender of £1 of redeemable preference stock has met with a poor response.

When the application list closed yesterday only 12 per cent of the issue had been applied for. Leaving just over two-thirds of stock in the hands of the und

holders. The issue was of 7 per cent stock, dated 1983 at a minimum price of £97.50 per cent. At this level the running yield was 10 per cent and redemption yield 11.18 per cent.

The average tender worked out at 197.29 per cent despite the low numbers.

Brokers to the issue are Laurie Milbank and Company.

### DIVIDENDS ANNOUNCED

Current payment Date of payment Corresponding Total for last year.

Bejam ..... Nov. 11 £0.83 1.62 1.1

Clive Discount ..... Nov. 18 2.53 2.38 4.7

EMI ..... Nov. 2 3.33 3.33 4.0

W. and R. Jacobs ..... Nov. 17 0.91 0.91 1.0

S. Lyles ..... Nov. 2 2.47 2.49 4.4

Ramur Textiles ..... Nov. 6 0.21 0.21 0.3

Sanderson Murray ..... Nov. 20 3.1 3.47 3.3

Sears Holdings ..... Nov. 11 0.5 0.5 0.5

Singapore Para ..... Nov. 23 0.7 1.2 0.7

Warne Wright ..... Nov. 1 1.2 1.2 2.0

W. Wills ..... Nov. 10 0.55 0.55 1.5

Wolseley Bronze int. 3.57 3.25 3.5

Dividends shown per share net except where otherwise stated.

\* Equivalent after allowing for scrip issue.

\* Increased by rights and/or acquisition issues.

† No interim dividend paid.

‡ To reduce disparity.

Statement by the Chairman, D. J. Eldridge.

"In my report in the June 1978 Circular I said that the profits this year will be very small in view of the sale of the Zambian interests. These interests were sold with effect from January 1st, 1978 and therefore the results are not comparable. The proceeds

# Wolstenholme Bronze well ahead after six months

After adjustment for the copper content, profit before tax of Wolstenholme Bronze Powders improved from £645,818 in the first half of 1978 to £825,968 in the first half of 1977, up on higher turnover of £2.35m against £2.22m. The addition of Charles Openshaw and Sons (Banchester) — acquired last November — had a major impact on first-half profits. The acquisition has certainly lived up to expectations, Mr. Alan Green, the chairman says. Group sales, while not exciting, are reasonable and the six months should be at least as good as the first — this implies group profits for 1978 substantially above the £1.4m pre-tax of last year, says the chairman.

The directors are also proposing a one-for-one scrip issue and are putting proposals for the group's shares to qualify as investments for trust funds governed by the Trustee Investments Act.

The interim dividend is lifted from 3.35p to a maximum permitted of 3.50p. Mr. Green said it was hoped that the substantial increase in profits coupled with the slight relaxation of controls on dividends enabled an increase of more than 10 per cent.

Discussions on this are taking place with the Treasury and should the outcome be favourable, the Board intends to increase the final by substantially more than 10 per cent. The final last year was 3.665p.

Copper account adjustments in the first half reduced the profit by £11,063, and increased profits in 1977 by £21,749. Tax charge amounts to £49,069 against £334,264.

Referring to the proposal to change the parent company's name to Wolstenholme Rink, Mr. Green explains that the company, as well as being the base for the manufacture of bronze and aluminium powders, is now acting as the parent company of an extensive group of companies.

Directors consider that this change should be reflected by adopting a new structure whereby the parent company will carry on no trading activities, but will instead act as the holding company of a number of subsidiaries.

The directors' recommendations of the trading assets and activities of the parent company should be transferred to a new subsidiary, which will adopt the name of Wolstenholme Bronze Powders. This reorganisation will not affect the assets, profits or reserves attributable to shareholders. At the same time it is proposed to change the name of the parent company.

## PROPERTY DEALS

J. Salsbury and Bentalls of Haslemere holds an underlease from the Drapers' Company on the building where refurbishment finance was provided by Friends Provident Life.

Scottish shop rents and capital values continue to soar ahead. Private developers Arrowcroft Investments have notched up the highest retail rent ever recorded in Sauchiehall Street this week, with a pre-letting of a double standard unit in its £25m former Daffy's department store scheme. Van Allen, part of the Toital Group, is to pay £25,000 a year for the shops. Letters, who acted for Arrowcroft, say the asking rent of £10,000 sq ft retail space until next year. Edward Erdman advised Van Allen.

Richard Ellis has also been finding the Scottish retail market active. In Glasgow it now reports rents of £50 to £60 a square foot for shops in Argyle Street, £15 to £20 more than a year ago. In Edinburgh a £1.5m sale and leaseback for the Electricity Supply Nominees of a 2,000 sq ft Eisman shop at 151 Princes Street recognises current rents of over £10 a square foot.

On the Princes Street deal the ESN was happy to receive an initial yield of just 4 per cent.

Elsewhere Ellis reports prime shop rents of up to £25 a square foot in Aberdeen, £15 in Dundee and £15 to £16 in Perth.

Two small office suites in the shadow of the Stock Exchange Tower have come on to the letting market this week. Richard Ellis and St. Quintin Son and Stanley are now marketing the 16,500 sq ft self-contained office block that forms part of the Clothworkers' Company's giant Angle Court development. The new air-conditioned block is let at £12.50 a sq ft for its 7,000 sq ft refurbishment around the corner at 27 Throgmorton Street, EC2.

**BEST AND MAY LTD**

## A year of change forecasts future satisfactory results

	1978	1977	1976	1975
Turnover	£ 5,439,879	£ 3,466,437	£ 2,399,647	£ 2,627,902
Profit before tax	308,651	247,778	205,196	184,863
Profit after tax	191,818	169,755	96,598	93,363
Ordinary dividends (gross equivalent)	46.11%	41.02%	38.11%	34.65%
Earnings per share	8.45p	8.49p	4.83p	4.87p

For a copy of the Report and Accounts apply to The Secretary, Best and May Limited, 27/29 Homesdale Road, Bromley, Kent, BR2 9TB.

# Clive Discount Holdings Limited

## Interim Statement

The directors of Clive Discount Holdings Limited have pleasure in declaring an interim dividend on the ordinary shares of the company of 2.03 pence per share (equivalent to 3.03 pence per share including the tax credit applicable to United Kingdom shareholders) in respect of the year ending 31st March 1979, compared with the interim dividend of 2.00 pence per share (equivalent to 3.03 pence per share including the tax credit) for the year ended 31st March 1978. The cost of the dividend amounts to £306,327 (1978 — £301,800).

Minimum Lending Rate has risen by 3½% during the period and therefore results compare unfavourably with those of this stage last year.

The dividend will be paid on 16th November 1978 to shareholders registered at the close of business on 27th October 1978.

1 Royal Exchange Ave, London EC3V 3LL Tel: 01-283 1101

## S. Lyles finishes down at £392,000

# Bryant Holdings heavily hit by Saudi Arabia loss

AFTER DEDUCTING exceptional wholly owned subsidiary, has the profit on the sale of preference shares, net of tax, received from a bonus issue by Centreway during the year ended May 31, 1978. Turnover amounted to £57m compared with £55.247 at 1977-78.

THE EXCEPTIONAL item is provision against actual and potential losses of an associated company in Saudi Arabia being the total amount of the group's investment in and advances to that company.

Bryant is not the first construction company to strike trouble in Saudi Arabia. Streeters of Godalming in July this year announced a marked deterioration in its activities there and warned that "a drastic re-appraisal of its investments there might be necessary."

After tax of £1.14m and minorities last time of £51.788 there was an attributable loss of £39,422 against profits of £96.891.

Happily, the first quarter of the current year has produced excellent results, the directors say. The group's financial position is sound with ample liquid resources and the future outlook is good.

The dividend payment is lifted from 3.25p to 3.75p per share after tax of £61,500 (£155,500).

The dividend is influenced by the improvement in trading conditions, the directors state.

Turnover	1977	1978
£m	£m	£m
Exports	8,229.35	10,169.82
Pre-tax profits	£222,205	£222,205
Tax	14,045	38,369
Minorities	116,013	82,346
Extraord. credit	13,277	12,017
Interim div.	13,760	8,028
Final	6,723	9,242
Retained	59,247	10,542

At the interim stage profits advanced from £11.288 to £35,917 and the directors said that indications were that results for the year would show a modest improvement.

Mr. A. J. Cross, the chairman, states that both George Whitehouse (Motors) and George Whitehouse (Birmingham) performed well during the year, but that the group's other subsidiary, Peterborough Die Casting, sustained a trading loss. He adds that action has been taken to redress this situation.

Sales for the period were ahead from £11.278 to £13.81m and with profits were split in the activity breakdown as: car and vehicle distribution £10,555

£28,13m and £290,000 (£10,000); cold rolled metal sections and pressings £1.5m (£1.5m) and £141,000 (£135,000); aluminium pressure die castings £1.76m (£1.64m) and £43,000 loss (£21,000 profit) and central group costs £7,000 (£2,000).

After tax of £106,193 against £96,891, minorities and preference dividends earnings are shown as 13.75p per 50p share against 11.05p.

The dividend is lifted to 14.045p per share with a net final payment of £42,655.

There was an extraordinary pressure on margins.

## Whitehouse advances to £0.22m

THE DIRECTORS of George Whitehouse (Engineering) report record taxable profits of £222,205 for the year to July 1, 1978, against £179,238 and say that results reflect improved trading in the second half.

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## Crouch Group building scheme worth £3.5m

THE Crouch Group's development subsidiary has obtained planning consent for three office blocks in central and suburban London involving an investment value of some £15m. Mr. Ronald Clempson, chairman, told shareholders at yesterday's annual meeting.

The construction would commence very shortly and it was intended to retain the two smaller developments for the investment portfolio and to sell the larger development.

Negotiations for the sale of this investment were already at an advanced stage and should result in the profit on it being realised this year.

Mr. Clempson also told shareholders that the group's continuing development of improvement in profitability this year, "and the increased building programme of Crouch Homes was currently on target and that all other subsidiaries in the group were operating profitably despite continuing

## Clive Discount slower mid-year

BECAUSE OF A 3.5 per cent rise in the minimum lending rate during the last six months the results at Clive Discount, halfway through the year to March 31, 1979, compare unfavourably with those at the same stage of 1977-78, the directors report.

However the net interim dividend is raised to 2.03p (2p). The final last time was 2.748p paid from profit of £1.2m (£1.32m), after providing for rebate, tax and transfer to contingencies reserve.

In June the directors said that performance of markets in the current year would continue to be volatile while uncertainties remained as to political, monetary and economic outlook.

A dramatic drop in interest rates from the then existing rates looked unlikely but it should be possible to maintain a profitable running profit and jobbing opportunities should occur from time to time they said.

## Good start by Wagon Industrial

Mr. C. Leslie Smith, chairman of Wagon Industrial Holdings, told the annual meeting in Birmingham that the results for the year to March 31, 1979, showed an improvement over the previous year.

He was confident that given the maintenance of existing conditions group results would be satisfactory "and we may, indeed, break new barriers."

In the year to March 31, 1978, group pre-tax profit improved from £2.68m in a record £3.5m.

## Exploration Co. ahead at halfway

FOR THE first six months of 1978, the report of the Exploration Co., the investment concern, advanced from £206,881 to £274,901, subject to tax of £128,420 against £104,073. The result includes its fully-owned subsidiary, Group Traders, but excludes associated contributions.

The report of Diamond Shamrock Europe in the October 4 issue related only to the UK company, formerly known as Lankro Chemicals Group Limited. Other Diamond Shamrock companies in Europe including the UK are not included in the losses announced.

## DIAMOND SHAMROCK EUROPE

The report on Diamond Shamrock Europe in the October 4 issue related only to the UK company, formerly known as Lankro Chemicals Group Limited. Other Diamond Shamrock companies in Europe including the UK are not included in the losses announced.

For all 1977, pre-tax profits amounted to £564,449 and a single 3.525p net dividend was paid.

At the half year, group assets

taking investments at market value, stood at £8.44m (£5.92m at December 31, 1977).

The result is largely due to a first-time contribution of roughly £200,000 from Openshaw, without which profits growth would be

substantially more than 10 per cent.

Discussions on this are taking

place with the Treasury and should the outcome be favourable, the Board intends to increase the final by substantially more than 10 per cent.

At the same time it is proposed to change the name of the parent company.

The directors' recommendations of the trading assets and activities of the parent company should be transferred to a new subsidiary, which will adopt the name of Wolstenholme Bronze Powders. This reorganisation will not affect the assets, profits or reserves attributable to shareholders. At the same time it is proposed to change the name of the parent company.

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# Thames TV up 11% to £8.65m

NET ADVERTISEMENT revenue increased 20 per cent from £46.5m to £56.24m in the year to June 30, 1978, and taxable profits expanded 11 per cent to record £8.65m against £7.78m last year.

Mr Howard Thomas, chairman, says that the tenth year of Thames has been its most successful, measured both by programmes and profits.

In the first quarter of the current year, advertisement revenue has continued to rise and overseas sales are expanding, he adds.

Direct expenditure on Thames' own productions has increased considerably, nevertheless, it is hoped to maintain the 1977-78 level of profits.

Profit for the period of Thames, a private, unquoted company, jointly owned by Rediffusion Television, a subsidiary of British Electric Traction Company, and EMI, was struck after the Exchequer Levy of £13.85m against £11.6m. Net profit was £1.96m, compared with £2.82m after tax of £4.85m (£4.15m).

## NORANDA

Noranda Mines, the Canadian group, is selling its Bell Copper unit and its Morrison prospect to Granby Mining of Vancouver, a subsidiary of the diversified U.S. resources group, Zapata Corporation, reports John Segalich from Toronto.

No price has been disclosed. Both properties are in British Columbia.

Bell Copper's mine at Babine Lake started production in 1972 and has the capacity to treat 13,800 tons of ore per day. Granby Mining has a mine nearby which has a capacity of 14,000 tons of ore per day.

The new owners plan to expand Bell Copper to 17,000 tons of ore a day, and Mr. William Flynn, the Zapata chairman, said the acquisition gave Granby additional reserves in the vicinity of existing operations.

Bell Copper's operations was

## RESULTS AND ACCOUNTS IN BRIEF

**EL ORO MINING AND EXPLORATION COMPANY**—For first half 1978 net profit £15,670,000,1977 £14,288,000. Figures include the fully-owned subsidiary, El Oro Gold Mine, and exclude the associate company results. **GRIMSHAW HOLDINGS**—Industrial group results for April 30, 1978 show a net profit of £1,150,000, 1977 £1,150,000. Net current liabilities £688,000. Auditors say accounts have been prepared and presented on assumption that group's bankers, Midland, will continue support. Also, investments and loans at £52,000,000 (£20,750,000) are shown as loans to companies concerned in legal proceedings brought to a legal company. Further, recent accounts are not available.



## Notice of Annual General Meeting of Shareholders October 19, 1978

Please take notice that the Annual General Meeting of Shareholders of Fidelity Pacific Fund S.A. (the "Corporation") will take place at 2:00 P.M. at the Corporation's Principal Office, Outerbridge Building, Pitts Bay Road, Pembroke, Bermuda, on October 19, 1978.

The following matters are on the agenda for this Meeting:

1. Election of Directors. The Chairman of the Board of Directors has proposed the re-election of the eight existing directors.
2. Review of the balance sheet and profit and loss statement for the fiscal year ended May 31, 1978.
3. Ratification of the actions taken by the Directors since the previous Annual General Meeting.
4. Ratification of the actions taken by the Investment Manager since the previous Annual General Meeting.
5. Consideration of such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of Registered Shareholder's Proxy obtained from the

Corporation's Principal Office in Pembroke, Bermuda, or from the companies listed below, to the Corporation at the following address:

Fidelity Pacific Fund S.A.  
P. O. Box 670  
Hamilton 5, Bermuda

Holders of bearer shares may vote by proxy by mailing a form of Certificate of Deposit and a form of Bearer Shareholder's Proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, or from the companies listed below, to the Corporation at P. O. Box 70, Hamilton 5, Bermuda. Alternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit with the Corporation the certificates for their shares or a Certificate of Deposit therefor prior to the Meeting.

All Proxies (and Certificates of Deposit issued to bearer shareholders) must be received by the Corporation not later than 2:00 P.M. on October 19, 1978, in order to be effective at the Meeting.

Holders of registered shares may vote by proxy by mailing a form of Registered Shareholder's Proxy obtained from the

The Bank of Bermuda Limited  
Front Street  
Hamilton, Bermuda

Julius Baer International Limited  
3 Lombard Street  
London EC3V 9ER, England

Kredietbank S.A. Luxembourgeoise  
43, Boulevard Royal  
Luxembourg

**9 1/2% P.A. Yorkshire Bank Finance**

Minimum initial deposit only £50.  
Only one month's notice required to withdraw any amount.  
Interest paid gross at quarterly intervals—without deduction of income tax.  
Maximum balance £10,000.

Yorkshire Bank Finance is part of the Yorkshire Bank Group. To find out more about investing with Yorkshire Bank Finance, simply complete, detach and post the coupon.

## BIDS AND DEALS

# Berec sells Churchouse

Crompton Parkinson, a subsidiary of Hawker Siddeley Company, is paying about £1.4m cash for C. M. Churchouse, a subsidiary of the Berec Group (previously known as Eyer Ready Company).

Berec acquired Churchouse, a specialty lighting manufacturer with an annual turnover around £35m, when it bought J. A. Crabtree and Company some six years ago. According to Mr. Colin Stapleton, a Berec director, Churchouse did not really fit in with Crabtree's range of electrical wiring products, components and starters and motor control gear but Berec spent some management time and effort attempting to build the Churchouse operations. When it failed to achieve its budget in 1977-78 a decision was taken to sell it together with the company's rented 340,000 square foot production complex.

The agency stepped in to buy the site and premises so that a long-term lease could be negotiated with the company and a further ten-acre site set aside for future development.

Mr. Hugh Jack, the agency's director of industry, said the deal divested the company of its redundancies which could have arisen if Satchwell Sunvic had been forced to move.

## £1m cathedral appeal set up

EXETER CATHEDRAL needs £1m for urgent repair and conservation work—and a special service of dedication marking the start of an appeal will be held in the cathedral on Saturday.

Prince Charles, president of the preservation trust has said in a special message that it would be a great tragedy if the building was allowed to disintegrate.

These include the Argos discount stores chain, the Midland Ideal Homes and New Day Hold and a spokesman said there would be no redundancies.

## SHARE STAKES

Great Portland Estates—Basil Samuel, chairman, yesterday sold 100,000 shares.

Wadham Stringer—F. C. Stringer, director, has disposed of 30,000 shares.

Young Companies Investment Trust—Scottish Amicable Life Assurance Society with subsidiary now holds 1,788,765 shares (27.5% per cent).

Aquarius—A. C. Quittman, director, disposed of 30,000 shares at 21p on September 23.

Electronic Rentals Group—R. K. Black, director, sold on September 15, 49,787 shares at 140p and 18,250 at 142p.

Singapore Para Rubber Estates—Kuala Lumpur-Kepang Investments has sold 2,500 shares leaving interest at 161,000 shares (16.7% per cent).

Staveley Industries—Norwich Union Insurance Society holds 430,235 shares (3 per cent).

Norwich Union Insurance Group (pensions management) 1,21,278 shares (0.8 per cent) and Norwich Union Group Trust 214,500 shares (1.8 per cent). Total 768,000 shares (3.4 per cent).

Ferranti announces the following share sales by directors: Mr. P. F. Dorey has sold 233 units at 337p. Mr. S. Z. de Ferranti has sold 100,000 shares in names of self and Blackstone Nominees and 330,000 in name of Control Nominees, at 387p. Mr. R. Z. de Ferranti has sold 70,338 shares in names of self and Owen Powell Simpson "A" account and 48,406 in name of Control Nominees, at 387p.

Talbot Group—P. J. de Savary, director, has bought 121,500 11/2 per cent convertible redeemable unsecured loan stock 1979-80.

By Order of the Board of Directors  
Charles T. M. Collis  
Secretary

Rowe & Pitman, Hurst-Brown  
1st Floor, City-Gate House  
39 Finsbury Square  
London EC2A 1JA, England

Bank Julius Baer & Co.  
Bahnhofstrasse 36  
8022 Zurich, Switzerland

## MINING NEWS

# Mines president expects gold to stay strong

BY KENNETH MARSTON, MINING EDITOR

THE GOLD price will remain possible, but he described the medium-term outlook as "relatively good."

Mr. A. von Weilligh, president of Africorp, told the Chamber of Mines of South Africa.

He told a Johannesburg business conference yesterday that the factors which have influenced the price, notably the U.S. dollar, and to a lesser extent world economic uncertainties and inflation, are unlikely to be much moderated during the rest of the year.

He added: "While the U.S. dollar may enjoy periods of recovery over the next year, the fundamental problems of that currency have yet to be solved."

He reckoned that South Africa's gold production this year will be completed at 1,700-ton dragline "took its first walk," as Amcoal put it.

The first stage of the open-pit mine's development becomes fully operational in December and by next June production at an annual rate of 2,700 tons will be reached.

The second stage of development is due to start in January.

Mr. von Weilligh said: "The recent price of £1,340 per ounce is up on last year's price of £1,240, and further marginal rise is likely

## Minorco sails ahead

THE CONTINUED low level of copper prices continues to bear heavily on the Zambian copper industry which also has to cope with severe transport difficulties and a shortage of foreign exchange. But the Anglo American Corporation, which owns 49 per cent of Zambia Copper Investments, is keeping its head above water and paying dividends thanks to its substantial income from non-copper investments.

Of these, the 29 per cent-owned U.S. Engelhard Minerals and Chemicals earned a net \$124,000 (£62.2m) last year while the 43 per cent-owned U.S. Transoil oil group turned in earnings of \$1.65m against a loss in 1976 of \$5.1m.

Also helping Minorco earnings is the wholly-owned Zambian Industrial Corporation which contributed \$1.3m. Minorco's total net profit for last year was \$15.15m compared with \$12.72m in the previous year. An unchanged dividend total of 12 cents was paid.

Mr. W. D. Wilson, the president of Minorco, remains confident that the company's copper investments, which include 36.5 per cent of America's Ingotable Copper, will "yield adequate returns in years to come."

He sees little prospect of an early increase in the copper price but believes that the longer the market remains depressed and production is cut, the sharper will be the eventual recovery.

Dr. Z. J. de Bever, president of Zambia Copper Investments, reckons that it will require a sustained period of substantially higher copper prices before the Zambian producers can resume paying dividends. "The prospects for an early recovery in the company's fortunes remain bleak," he adds.

ZCI holds 49 per cent of Nchanga Consolidated Copper Mines and 12.25 per cent of Ress Consolidated Copper Mines.

Under the capital reconstruction scheme proposed for Nchanga, ZCI's stake in that company will fall to 39.987 per cent. Reconstruction proposals are also being negotiated for RCM.

ZCI has 12 per cent of the structuring Botswana RST. It is expected that the latter will cut its funds under a stand-by facility towards the end of the year and as a result ZCI will need to make use of the loan facility of \$19.3m made available by Minorco.

In London yesterday, shares of ZCI were 14p while those of Minorco were 17p.

## TECHNICAL HELP FOR INDONESIA

The Ministry of Overseas Development is spending £560,000 to finance the investigation of Indonesian coal reserves in East Kalimantan, it was announced yesterday.

Three geologists from the Institute of Geological Sciences, London, are already in the field as part of a three-year project. They are training Indonesians on the spot.

The aid contribution covers also specialist consultancy services and the cost of four drilling rigs, manufactured by English Drilling of Bedford, and mounted on

Bedford trucks.

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## GENOSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT

Vienna

U.S. \$40,000,000 Floating Rate Notes Due 1983

For the six months

6th October, 1978 to 8th April, 1979

the Notes will carry an interest rate of 10% per annum.

Listed on the Luxembourg Stock Exchange.

By: Morgan Guaranty Trust Company of New York, London Agent Bank

## OIL AND GAS NEWS

# Testing completed at Fortescue Well

TESTING HAS been completed at the Hallibut No. 1 well in the recently discovered Fortescue oil field offshore Victoria. The find was announced on September 21 by the Broken Hill Proprietary Esso Exploration and Production consortium.

Results of the tests were not disclosed and the well has been suspended for possible later sub-sea completion, according to BHP.

Hallibut No. 1 was the fourth in the Hallibut series aimed at finding new structures west of the existing new structures west of the well which is situated offshore New Jersey.

Gulf says that it plans to drill its Baltimore Canyon well west to a depth of 19,000 ft. Gulf is currently drilling at 17,600 ft in the well which is situated offshore New Jersey.

Gulf says that it obtained permission to drill to the 19,000 ft depth from the Office of Standard and Geological Survey of the U.S. Interior Department following a request last month.

The company recently completed cement casing to the 17,600 ft level and is believed to have commenced the deeper drilling.

Indonesian oil production is expected to fall 15m barrels this year according to the Indonesian Mining Ministry.

This year's output is estimated at around 800m barrels compared with actual production in 1977 of 81.5m. State revenue from oil exports in the first nine months this year totalled \$US \$5.52m.

# Guinness Peat Group Limited

A year of progress throughout the Group

Highlights from Lord Kissin's statement at the year ended 30th April 1978.

- \* Net attributable profits before extraordinary items increased by 27% to £7.95m (1977 £6.27m).
- \* Pre-tax profits for the Trading divisions increased by 40% to £8.88m (1977 £6.52) with substantial progress being made by all divisions.
- \* In addition the disclosed profit of the Banking Division for the year increased by 33% to £1.6m (1977 £1.2m) after taxation and transfers to reserves. The Bank continues to broaden its worldwide interests.
- \* One for one scrip issue is proposed to bring the issued share capital more in line with the Company's overall worth (£45m) and to improve the marketability of the shares.
- \* Operations in the USA have been expanded in addition to our increased trading and banking activities in Brazil.
- \* Trading conditions in the Group continue to be satisfactory and with the imaginative and strong management team which we have built your company can have every confidence in the future.

## The Year in Brief

	1978	1977




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# Harrisons Malaysian on target with £24.9m

AS FORECAST in May, the directors of Harrisons Malaysian Estates, a subsidiary of Harrisons and Crosfield, report taxable profits of £24.9m for the year to March 31, 1978. This is compared with £24.3m previously, a figure which is for illustration only and which has been derived from the results of Golden Hope, London Asiatic, Pataling, H. and L. Latex and Glengowrie prior to their becoming subsidiaries of Harrisons Malaysian.

Trading profit for the year was £22.8m (£21.88m) and was split as follows: rubber £2.519 (£4.923); palm oil and kernels £2.537 (£12.638); copra £597 (£550); and coconuts £5.830 (£5.818). Drought during 1976 and 1977 adversely affected crops for the year, particularly during the final quarter, the directors state, although the effect upon the company's harvests seems not to have been as severe as generally experienced throughout the industry.

The shortfall in crops was compensated for by higher cocoa prices, they add.

Crops during the current year are expected to be ahead of last year; the cocoa price is well below last year's exceptionally high levels, although in general, other prices are firmer.

After tax of £13.72m (£12.79m) earnings are shown as £6.68p (6.51p) per 10p share—tax charges are not comparable because of the effects of the transfer of residence of the underlying subsidiaries and the introduction of UK holding company.

As already known, the dividend is stepped up from a forecast 3.5p

to 4p per share with a second interim of 2.75p; as a result of the success of the merger with H. and C. there was a saving in ACT and the second payment was increased from 2.25p. The total for the year absorbs £16.82m.

Profit Other income Pre-tax profit Tax Minority Extraord. credit Attributable to: Figures derived from records of Sanderson Murray and Elder Holdings, Pataling, H. and L. Latex, Glengowrie, prior to their becoming subsidiaries.

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## AMERICAN NEWS

## Carrier in Jenn-Air defensive takeover

By John Wyles

**NEW YORK, Oct. 4.** CARRIER CORPORATION, the target of an unwelcome Sibn takeover bid for United Technologies, today announced the apparently defensive acquisition for \$101m of Jenn-Air Corporation, an Indianapolis manufacturer of household appliances.

Although Carrier declared that its board of directors had authorised the negotiations with Jenn-Air five days before United made its proposal on September 18, the outcome appears to be extremely convenient for the company.

The definitive "merger agreement" with Jenn-Air involves the issue of a minimum of \$3.4m of new Carrier stock which would consequently raise the cost of Carrier's acquisition by United to about \$1.2bn. But perhaps more important is the fact that 66 per cent of Jenn-Air's stock is controlled by Mr. Louis J. Jenn, the company's chairman, and his family.

As a result of the agreement, their holding in Carrier will amount to about 8 per cent of Carrier's outstanding common stock, which is a useful block to have in friendly hands when trying to resist a takeover.

The transaction involves Carrier issuing a minimum of 1.35 shares for each share of Jenn-Air common, which according to the agreed formula is valued at not less than \$30 per share.

Jenn-Air's board and stockholders are expected to meet soon to ratify the deal. Mr. Melvin Holm, chairman of Carrier, said late today that talks had started with Jenn-Air last May. According to an announcement, Jenn-Air's earnings have achieved a 57 per cent annual compound growth rate between 1972 and 1977. The compound growth of sales has been 38 per cent. In the year ended June 30, Jenn-Air's sales amounted to \$72.14m and net income \$4.5m or 62 per share.

Despite the announcement, the weakness in carrier's stock which has been evident over the last few days continued today and the stock closed at \$38, down 1.5. Carrier reached a 12-month high of \$38.1 last week.

The prospect of a lengthy takeover struggle with United and the fact that the company's book value is a modest \$17 a share has prompted some selling.

Meanwhile, United's merger move is under scrutiny from several quarters. New York State authorities are holding hearings the week after next to determine whether United is complying with the State's takeover laws while the Justice Department is also investigating the possible anti-trust implications of an acquisition of Carrier which, in turn, has filed an anti-trust suit against United.

• In Hartford, United Technologies Corporation said it is filing a counterclaim lawsuit against Carrier Corporation which it claims, made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 Press release and in a letter to Carrier shareholders.

The release described United Technologies' offer to negotiate a merger with Carrier on the basis of \$28 a common share as clearly inadequate from a financial point of view.

## G. E. to acquire cable TV group

By STEWART FLEMING

**GENERAL ELECTRIC**, the board of Cox had authorised their management to enter into merger negotiations.

The deal will be a share exchange in which Cox shareholders will receive 1.3 G. E. shares for each Cox share, valuing the Cox equity at between \$65 and \$72 a share.

This compared with the pre-announcement price for Cox of \$49 a share, a level at which it was selling at around 12 times earnings. At \$72 a share, Cox is likely to generate just as much interest and could stimulate growing investor and industry interest in the rapidly developing cable television business. For G.E.'s enviable business reputation to make such a commitment to a newly emerging industry is a development of immense significance.

In its announcement today, G.E. said that its board and the was transformed last year when G.E. last year reported sales revenue of only \$186m (considerably less than the offer price) and a net income of \$23.7m.

The outlook for the company is not a regulated raised anti-trust issues.

A constraint on its expansion

is the question of whether the proposal

is well known to the public.

Cox currently owns TV stations in San Francisco, Pittsburgh, Atlanta, Charlotte and Dayton. Through Cox Cable it owns 41 cable TV systems.

G.E. has only minor broadcasting interests in the shape of eight radio stations, three TV stations and 13 cablevision systems.

The company said that it seems likely that under Federal Communications Commission regulations it may have to sell three TV stations and perhaps at least six radio stations.

It made no comment on the question of whether the proposal

is well known to the public.

As a result, Mr. Linton refused to discuss either the price agreed for MacLane, Watson, or the implications for Drexel Burnham, which apparently already engages in some metals trading.

The decision to resort to a BIS loan after 10 years of domestic financing has already begun to spark fears that Belgium may be heading once again towards accelerating foreign borrowings.

But the reasons behind the borrowing are clear enough. Governments here have to recent years been accused of adding to inflationary pressures by financing much of the public deficit through the domestic banking system and of pushing up interest rates by resorting to the domestic bond market.

Norsk Hydro is refinancing an earlier credit on finer terms through the same bank from whom it raised the initial credit.

Francis Ghilie adds from London: Three more banks following Chemical Bank and Morgan Guaranty, have decided to retire from the management group of the Swedish Sibn refinancing: they are Deutsche Bank, for the last seven.

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Sharp gain  
in profits  
at Roussel-  
UclafMatra plans U.S.  
joint venture

BY DAVID CURRY

PARIS, Oct. 5.

By Our Own Correspondent  
ONE OF France's leading pharmaceutical and fine chemical concerns, Roussel-Uclaf, has registered gains in profits and sales in the first half of this year at both parent company and group level.

The group, which is putting a lot of effort into diversification related to but commanding different markets from its fine chemical activities, is majority controlled by Hoechst in West Germany. The diversifications include animal and plant health, semi pharmaceutical products like cosmetics, dietary food.

When it announced its 1977 profits the group forecast a 12 per cent gain in earnings and sales in 1978. The first half outcome indicates that these targets are being comfortably exceeded.

However, the group warns that the trend may not continue until the end of the year.

First half consolidated turnover reached FF 2.015bn (\$470m) some 15.4 per cent up on last year and almost 17 per cent better allowing for changes in group structure. About 61 per cent of sales were made outside France—the group's ambition is to sell two-thirds of its production overseas by the end of the decade.

Group profit was FF 89.6m against FF 79.3m representing a 5.3 per cent improvement on a comparable basis. Cash flow was more than 17 per cent to the good at FF 127m.

At the parent company level net profit was FF 55.1 including some FF 6.5m gains from the disposal of shares. At the same stage last year company profits were FF 41.7m after a 0.9m shortfall on share realisation.

Ferodo raising capital

France's du Ferodo will raise its capital before the end of this month, Reuters from Paris.

The capital increase will enable the company to make acquisitions to complete its Dusseldorf deal with DBSA. The 1978 results should be "substantially good" to ensure a maintained dividend on the new capital raised.

## Elkem forges ahead

BY FAY GJESTER

OSLO, Oct. 5.

ELKEM-SPICERVERKET, the Norwegian metals manufacturing and engineering concern, increased its group profits, turnover and exports in the first eight months of 1978.

Net group pre-tax profits reached Nkr 3.8m (\$1.6m) in the period of January to August 1978, after ordinary depreciation of Nkr 1.02m. This compares with Nkr 3.6m, after depreciation of Nkr 1.06m, in the same period last year. Turnover in January-August this year was Nkr 1.885m, against Nkr 1.800m. Exports were Nkr 1.083m against Nkr 950m.

The slightly better results this year reflect improved markets

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Martin Taylor discusses Continental Illinois' investment analysts survey published today

## Stockbrokers and the institutions: analysing the analysts

IN THE space of a few years, offer their clients virtual brokers' circulars self-fulfilling on which institutional interests are concentrated already have increased market highest standards and are given to dropping profit levels over lunch.

Continental Illinois' annual blanket coverage of the UK is another question. This increased market volatility over the short term has little relevance to the long-term portfolio planning that the institutions require. No one is naive enough to believe that the individual earning power of the analysts themselves.

The most striking feature of the overall ranking of stockbrokers is that of the eight leading brokers in this year's list (three tied for sixth place) all have finished in the top group at least twice in the past three years. But it would be a mistake to conclude from this that the business is anything less than intensely competitive.

It is ironical that a survey of an industry which prides itself on statistical sophistication should be crudely based on the subjective assessment by fund managers of the usefulness of analysts. That the analysts are useful is uncontested: fund managers agree that the service provided by the best analysts has improved enormously over the past few years. There is no temptation to run indexed funds weighted, as in the U.S., according to a set formula between market sectors. In absolute disregard of analysis. The individual rankings by sector suggest that there is now a relatively small and settled pool of experienced researchers; brokers maintain that it is much more difficult to make a reputation now than it was a few years ago.

It is a commonplace observation that fund managers are interested in only half an inch of the one-foot thickness of paper that lands on their desks every morning and there is certainly widespread grumbling that the multiplication of material and advice is wasteful. Little is likely to be done about this at the moment: what is more significant is that in any given sector there may be only, say, six analysts with a large following (certainly the successive Continental Illinois lists suggest this) and that a very large number of fund managers may make investment decisions at about the same time on the back of three or four circulars which they have all read. It is really not surprising that institutions act in concert when they receive identical advice, simultaneously, from the acknowledged experts in a particular entirely on published information and companies almost impossible, leaving them to rely entirely on their customers' expressed suggestions. In argue that the large companies serve to be rated a Strong Hold.

What trends are developing at present are harder to discern. The institutions, which waste no time in telling brokers exactly what they want, have shown little interest yet in the calculations of return to risk ratios that U.S. analysts consider indispensable. Chart analysis is some feeling that lower commission rates could be useful if they reduced the overcautious among brokers' analysts, but no brokers simply prefer not to talk about it.

The most successful research firms are unanimous that, even if their market shares are far from holding in a strong bull market, to be very widely spread, in study overseas markets as well as encouraging their individual industry analysts to look at EEC it, "We've really done our work — we've been thorough, presents them and gets them business in difficult times."

Among the attributes that a good analyst must have in being able to present and interpret information, perhaps the most priceless is a nose for bad news. Most brokers are rather anxious when asked whether the increased depth of their work has improved the reliability of their forecasts: the opinion of the forecasters in argue that the large companies serve to be rated a Strong Hold.

**Obvious benefits**

The benefits for the more successful research brokers are obvious. Fund managers do appear to try to reward work that impresses them by giving business to the firm concerned, although dealing skills remain a vital criterion for the institutions.

It is difficult to calculate the cost-effectiveness of an analyst's work—but even more difficult to find major firms of brokers that would consider cutting back on its research department.

This being said, the styles vary considerably. This year's leaders, James Capel, and runners-up, Hoare Govett, both

## MINORCO

MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

### Extracts from the review by the President, Mr. W. D. Wilson

Profits for the year ended 30th June 1978 were considerably higher than in 1977 predominantly because of higher dividend income received from Engelhard Minerals & Chemicals Corporation (EMC) and Trend International Limited (Trend) in which the corporation has interests of 29 per cent and 43 per cent respectively. No dividends were received, however, from the corporation's copper investments, namely Zambia Copper Investments Limited (ZCIL), in which Minorco holds 49 per cent of the equity, and Inspiration Consolidated Copper Company (ICC), in which a 15 per cent interest was held at the financial year end. As a result of the offer made in June of this year by a company jointly owned by Minorco and Hudson Bay Mining and Smelting Co. Limited (Hudbay) of Canada to acquire all the capital of ICC not already owned by the two groups, the corporation's share was increased to approximately 36.5 per cent, equal to that of Hudbay. While, at present, copper prices, the company is in a loss-making situation, your board is confident that these price levels cannot persist indefinitely, and that once more economic prices are attained, the investment in ICC will prove to be profitable.

#### Profits

The profit before taxation and extraordinary items for the year ended 30th June 1978 was US\$16.32 million, some US\$2.51 million or 18 per cent higher than in the previous year. Dividends from investments amounted to US\$15.12 million, compared with US\$13.94 million in the previous year, while interest and sundry income rose by US\$5.41 million to US\$2.42 million. Zamanglo Industrial Corporation Limited's (Zamico's) operations contributed US\$1.34 million, and net gains arising from currency fluctuations totalled US\$1.45 million. Administration and other expenses, interest paid, prospecting costs and a small loss on the redemption of certain bonds amounted to US\$4.0 million (1977: US\$3.40 million). After deducting US\$1.18 million (1977: US\$1.09 million) in respect of foreign taxation, the profit for the year before extraordinary items was US\$15.15 million, compared with US\$12.72 million in 1977, an increase of some 19 per cent. Dividends amounted to US\$8.83 million or 12 cents a share. The deficit on extraordinary items of US\$1.58 million related in the main to the loss on certain assets as a result of the devaluation of the Rhodesian dollar and Zambian kwacha, and a write-down of an investment held by Zamico.

#### Engelhard Minerals & Chemicals Corporation (EMC)

EMC's net earnings of US\$122.6 million in 1977 were some 2 per cent below the record of US\$124.9 million achieved in 1976. As in each year since 1969, the international marketing activities of the Philip Brothers division were responsible for most of the company's earnings. Despite the relatively depressed state of many of the industrialised economies, this division operated at high levels throughout the year. The strength of the Philip Brothers division rests upon the broad spectrum of commodities in which it deals, ranging from basic minerals and metals to fuels and fertilisers. The Engelhard Industrial division achieved record earnings during 1977, mainly because of improved performances by the auto catalyst exhaust department, the United Kingdom-based operation and the domestic chemicals and catalyst group. The Minerals and Chemicals division also earned record profits during 1977, with the kaolin and cracking catalysts departments being the principal contributors. Dividends per share paid by EMC during the year were US\$1.20, compared with US\$1.05 per share in 1976. EMC's net earnings for the six-month period to 30th June 1978, compared with the corresponding period in 1977, fell by US\$7.68 million to US\$55.31 million, the decline being due in the main to depressed trading conditions experienced by the Philip Brothers division in world metal markets.

#### Inspiration Consolidated Copper Company (ICC)

Members will be aware that on 6th June 1978 the corporation and Hudbay announced that they intended to make a tender offer, at US\$33 a share, for all of the shares of ICC not already owned by them. At the date, Hudbay and the corporation owned 23.42 per cent and 15.62 per cent of ICC, respectively. As a result of the tender offer, the corporation and Hudbay, through their jointly-owned US company, have increased their ownership of ICC to approximately 73 per cent. Total acquisition costs to the corporation and to Hudbay, excluding legal and investment banking expenses, were approximately US\$23.6 million and US\$14.4 million, respectively.

#### Trend International Limited (Trend)

Trend's 1977 net earnings of US\$1.65 million compare favourably with a net loss of US\$5.91 million (before extraordinary items) in 1976 and exceeded those of US\$10.29 million in 1975 by 13.2 per cent. Extraordinary income in 1976 consisted of a write-off of US\$65.07 million upon the revaluation of recoverable Indonesian oil reserves and as a result of an amendment to the terms of the production sharing contract with the Indonesian government mentioned in my review last year. In addition, Trend was required to make special payments of US\$3.14 million and US\$8.61 million to the Indonesian government with respect to 1977 and 1976 production, respectively.

Total crude oil production by the Indonesian joint venture in 1977 was 28.5 million barrels, an average of 78,000 barrels a day, compared with a total of 27.7 million barrels, or an average of 75,000 barrels a day in 1976. Trend's share of 1977 sales amounted to 2.8 million barrels as compared with 2.6 million barrels in the previous year.

During the financial year under review the corporation received dividends from Trend totalling US\$2.59 million.

**Zambia Copper Investments Limited (ZCIL)**

ZCIL earned a net profit before extraordinary items of US\$0.74 million for the year ended 30th June 1978. No dividends were received from either NCCM or RCM in which ZCIL holds 49 per cent and 12.25 per cent of the equity respectively. A deficit on extraordinary items of US\$21.53 million was recorded, of which US\$19.85 million related to the provision against the investments in BRST and BCL and the loans to BRST. This provision, combined with the profit of US\$20.00 million recorded in the previous financial year, meant that, with the exception of the senior unsecured loan to BCL of US\$0.7 million, full provision has been made in respect of ZCIL's total investment in BRST and BCL to date. The balance of the deficit on extraordinary items related to the loss arising from the devaluations of the Zambian kwacha and Rhodesian dollar, and the write-down of certain Zambian assets. The deficit on extraordinary items was covered by a transfer of US\$20.17 million from the premium account leaving an unappropriated profit carried forward at 30th June 1978 of US\$0.5 million. No dividends were declared during the year.

**Zambian industry and agriculture**

The corporation's interests in the industrial and agricultural sectors of the Zambian economy are held through Zambian Industrial Corporation Limited (Zamico). Notwithstanding the depressed state of the economy, several companies in which Zamico has an interest were able to record improved results compared with the previous year and to declare higher dividends. Zamico has declared an unchanged dividend of K500,000 net of withholding tax, but as the 1976/77 dividend of the same amount has not yet been externalised because of Zambia's very tight foreign exchange position, it is not possible to estimate when the latest dividend is likely to be remitted.

**Australia and Brazil**

The corporation has for some years participated in the exploration programmes of Australian Anglo American Limited (AAA). AAA is conducting an active programme of exploration in Australia, and is engaged as well in a joint venture with Amax Inc., Conzinc Rio Tinto of Australia Limited and Preussag A.G. to evaluate the Namibia copper deposit in Fiji. A preliminary evaluation is expected to be completed late in 1979.

The corporation continues to participate in investments in Brazil through Anglo American Corporation do Brasil Limitada (Ambras). Ambras' investment in the Morro Velho gold mines has shown increased profitability and current higher gold prices have resulted in the declaration of a substantially increased interim dividend for the balance of the year. Ambras is also currently evaluating the gold project at Jacobina where indicated reserves aggregating between six and 10 million tonnes at an average grade of about 9 g/t have been located. Ambras has agreed to participate to the extent of 35 per cent in a 5,000 tonne a year ferro-nickel project at Niquelândia, subject to the satisfactory completion of the financing for this project, which is currently being arranged. Other opportunities for investment are currently under review.

Total prospecting expenditure for the year in these and other areas which has been charged against revenue amounted to US\$2.44 million.

**Future prospects**

Despite the difficulties facing the copper companies in which the corporation is invested, your board remains confident that these investments will yield adequate returns in years to come. While there would appear to be little short-term prospect of a material increase in the copper price, the longer the present depressed price levels persist, the greater will be the number of existing producers who will be obliged, as a result of financial difficulty, to curtail operations. This factor, together with the delay in the development of new mines, must, in the longer term, result in a material and sustained increase in the copper price.

In the interim, it is fortunate that the corporation, as a result of the policy of diversification followed by the board in recent years, has a substantial and stable level of income derived from non-copper investments.

Copies of this review and the report and accounts are obtainable from the London office of the company at 40 Holborn Viaduct, EC1P 1AJ, or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN2 8EQ.



## CONSOLIDATED STATEMENT OF CONDITION AS AT 30<sup>th</sup> JUNE 1978

(IN MILLION ESCUDOS)

\* Including Portugal, Mozambique and France

ASSETS	LIABILITIES
Cash and Due from Banks	8 574
Correspondents Abroad	2 537
Bills Discounted and	
Loans (a)	73 177
Securities	3 815
Other Assets	6 008
Contra Accounts (b)	78 094
	172 205
Deposits	82 025
Sundry Creditors	20 176
Capital and Reserves	2 373
Provisions	1 821
Other Liabilities	7 718
Contra Accounts (b)	78 094
	172 205

(a) — 15.30 Million escudos of rediscount included

(b) — 15.30 Million escudos of rediscount not included

## CONDENSED BALANCE SHEET AS AT 31<sup>st</sup> DECEMBER 1977

(IN MILLION ESCUDOS)

ASSETS	PORTUGAL		CONSOLIDATED*	
	1976	1977	1976	1977
Cash and Due from Banks	4 497	6 435	6 923	8 203
Correspondents Abroad	1 150	126	2 203	2 203
Bills Discounted and				
Loans	33 089	46 242	47 069	52 563
Securities	2 931	3 864	3 915	2 681
Other Assets	1 057	4 164	1 055	4 165
Contra Accounts	49 535	71 458	51 714	56 336
	94 253	139 027	116 222	150 988
Deposits	36 744	49 791	47 274	63 711
Sundry Creditors	730	3 475	1 659	5 629
Capital and Reserves	2 325	2 348	2 325	2 348
Provisions	1 055	1 202	1 054	1 201
Net Profit	70	91	23	90
Other Liabilities	2 399	5 100	4 145	6 487
Contra Accounts	49 537	71 456	51 713	61 835
	142 353	151 027	116 222	150 988

## BANCO PINTO & SOTTO MAYOR

Head Office-Rua Aurea, 28-Lisbon-Portugal

International Department-Av. Fontes Pereira Melo, 7/13-Lisbon-Portugal

PARIS-DUSSELDORF-MONTREAL-TORONTO



## The way we cherish skills is the way we fly.

The art of the calligrapher has always made him a highly esteemed figure in Japan.

Today the young still gather at his feet. Such a willingness to learn continues to colour all aspects of Japanese life.

And nowhere more so

than in Japan Air Lines and our training facilities. The six-month

training of our hostesses,

considerably longer than any other airline, is just one example.

But one that helps explain why the service they provide already persuades more Europeans to fly JAL to Japan than any other airline.



We never forget how important you are.

JAL

## APPOINTMENTS

## New Chief for Phoenix Assurance

PHOENIX ASSURANCE announces the retirement on December 31 of Mr. W. C. Harris as chief general manager. He will continue as a director and will become a deputy chairman on January 1.

Mr. R. K. Bishop, at present deputy chief general manager, will succeed Mr. Harris as chief general manager.

Other appointments taking effect from January 1 are: Mr. A. R. Mattock, at present general manager (home); and Mr. R. Wilkinson, at present general manager, and secretary, to be deputy chief general manager. Mr. E. R. Wills, at present deputy secretary, to be secretary.

Sir Julian Hodge will be relinquishing all his appointments in THE HODGE GROUP on October 31.

Chairmanship of the main companies in the group will be taken by Mr. R. A. S. Lane, vice-chairman of Standard Chartered Bank, the holding company. A successor will be appointed in a few months.

Changes are also taking place in the Boards of the three main companies in the group.

THE HODGE GROUP: Retiring members—Sir Julian Hodge, Mr. W. G. Pullen, Sir Andrew James Maitland-Makill-Crichton, Lady Taylor, Miss T. Hodge, Mr. J. R. Taylor, New members—Sir A. S. Robertson, former managing director, Mr. D. P. Pinks, senior general manager, Mr. A. E. Ely, general manager, UK (shortly general manager UK and Europe), all Standard Chartered Bank; Mr. W. C. Harding, managing director, Hodge Finance, and Mr. A. C. Webb, director, Finance and administration.

JULIAN S. HODGE AND CO.: Retiring members—Sir Julian Hodge, Mr. W. G. Pullen, Sir Andrew Crichton, Mr. W. C. Harding, Mr. D. P. Pinks, Mr. M. G. Thomas, New members—Mr. R. A. S. Lane, vice-chairman, Mr. Robertson, Mr. Pinks and Mr. Ely, all of Standard Chartered Bank.

HODGE FINANCE: Retiring members—Sir Julian Hodge, Mr. Pullen, Sir Andrew Crichton, Mr. Andrews, Mr. J. A. Mole, Mr. Morris, Dr. W. J. Roche, Mr. J. R. Taylor, New members—Mr. Lane, Mr. Robertson, Mr. Pinks and Mr. Ely, all of Standard Chartered Bank.

The result of all these changes will be that, with the exception of Mr. R. A. S. Lane, the managing director of Hodge Finance, who will be a member of the Board of Hodge Finance only, and Mr. R. J. Kilmun, financial controller of Standard Chartered Bank, who will sit on the Board of the Hodge Group only, all three companies will have the following common Boards of directors: Mr. R. A. S. Lane, vice-chairman of Standard Chartered Bank, who will become chairman of the three Hodge companies; Mr. J. A. Robertson, general manager of Standard Chartered Bank, who will be deputy chairman of the three Hodge companies; Mr. A. I. Robertson, deputy managing director of Standard Chartered Bank; Mr. D. P. Pinks, senior general manager, Standard Chartered Bank; Mr. A. E. Ely, general manager, UK, Standard Chartered Bank; Mr. J. Hodder, managing director of the Hodge Group and deputy chairman of Hodge Finance; Mr. F. D. Waiters, deputy managing director of the Hodge Group; Mr. A. E. Ely, chief financial executive; Mr. W. C. Harding, managing director, Hodge Finance; and Mr. A. C. Webb, director, Finance and administration.

Mr. P. D. Gibson, director, personnel and administration, BP OIL is to retire at the end of the



Mr. R. K. Bishop

continue as a director of all of the group's operating companies and as president of the group's overseas companies. Mr. Alastair Mitchell, financial director, will succeed Mr. Devereux as group managing director. This realignment will enable Mr. Devereux to devote more time to the long-term development of the group, both in the UK and overseas.

Mr. Hugh Mallor has been appointed group financial director of BRITISH ROAD-SERVICES.

Mr. D. N. Devenish is appointed deputy chairman and managing director of ROSSER AND RUSSELL (the group holding company). Mr. M. B. Swaine is appointed managing director of Rosser and Russell (London), and the deputy chairman of Rosser and Russell (Northern), of which he was formerly managing director. Mr. A. C. E. Jordan is appointed managing director of Rosser and Russell (Northern). Mr. M. Appleby is appointed to the Board of Rosser and Russell (Northern).

Following a reorganisation of ANDREWS-WEATHERFOIL, the building services engineering subsidiary of P. F. Duffry, Mr. P. C. Taylor, a director of P. F. Duffry, who has held the positions of both chairman and managing director of Andrews-Weatherfoil, relinquishes the managing directorship, but remains chairman. Mr. L. A. Cole, previously deputy managing director, becomes managing director. Mr. J. W. Howard becomes deputy managing director. New appointments to the Board are: Mr. R. B. Biggs, Mr. R. F. Butler, Mr. E. P. Palmer, and Mr. W. A. Readling.

The Secretary of State for Trade and "THE BRITISH OVERSEAS TRADE BOARD" has appointed five new members to the Board: They are: Sir Arthur R. Wilson, chairman; Josiah Wedgwood, a Son; Mr. Most Evans, general secretary; Transport and General Workers' Union; Sir Arthur Knight, chairman, Courtalds; Mr. Brian Rix, deputy director of general CBI; and Mr. Victor Robinson, Industrial adviser, Department of Trade.

Total membership of the Board is now 22.

Mr. Dennis Lawrence has been appointed director of the CO-OPERATIVE DEVELOPMENT AGENCY. Until recently he was an under-secretary in the Department of Industry, including among his responsibilities the direction of policy on small firms. In that capacity, he chaired the working group on a Co-operative Agency. The recommendations contained in the Group's report, published in a White Paper in October 1977, were enacted with all party support as the Co-operative Development Agency Act 1978.

BANKERS' TRUST COMPANY has announced that Mr. Carlos M. Canales, executive vice-president in charge of international banking, has stepped down as chairman of Bankers' Trust International, the bank's London-based investment banking subsidiary. Mr. Canale will continue as a director of BTI. Mr. John F. McDonalds has been appointed chairman of BTI and will continue as its managing director. He has been given functional responsibility for the group's investment banking activities outside the U.S.

Mr. Ray Hedley has been appointed a director of BELLIWAY and is responsible for estimating and costing on all the company's housing developments.

Mr. S. E. Baker has been appointed an executive director of SAVE AND PROSPER GROUP responsible for general operations and personnel.

Mr. Michael Thompson, a joint general manager of LLOYDS BANK, has been appointed assistant group chief executive at the 20th day of October 1978.

Mr. C. P. Baker has been appointed deputy chairman, and Mr. D. C. Baker, managing director of GLANVILL ENTHORN AND CO. (UNDERWRITERS). Mr. R. T. Bell and Mr. J. J. P. Tonney have been appointed directors.

Bridon announces two new appointments to the Board of its UK subsidiary, BRIDON WIRE: Mr. B. H. Axe, chief accountant, and Mr. J. Churchfield, general manager of the Templeborough Rolling Mills.

Mr. Ian Deslandes, director of housing at the NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS, has been appointed director of industrial relations from January 1, 1979.

Mr. R. B. Burke and Mr. A. F. Griffin have been appointed directors of ALEXANDER HOWDEN INSURANCE BROKERS.

Mr. Marcy M. Dupre, III, has been named manager of the Paris office of RAYTHEON OVERSEAS, a subsidiary of Raytheon Company, U.S.

Mr. Alan R. Deraerix, managing director of SCOTCROS (and chairman of the CBI in Scotland) has been appointed deputy chairman of the north of England and the North and East Midlands.

Mr. Robert Neelands, an assistant general manager in Central London, succeeds Mr. Thompson.

group headquarters. He has been responsible for banking business the north of England and the North and East Midlands.

Mr. Robert Neelands, an assistant general manager in Central London, succeeds Mr. Thompson.

## APPOINTMENTS

## Career Opportunity Finance &amp; Banking

## Scotland c. £7,000 + major benefits

Our client is a major Scottish financial institution employing some 8,000 people, providing a wide range of services to industry, commerce and the public. Management succession planning indicates a requirement for a very small number of able accountants (men or women) seeking a career in banking and financial services with prospects of progression to top management posts. The essential requirement is for high calibre CAs, ACCAs or ACCAs, ideally aged between 25 and 28, with post qualifying experience in financial or management accounting, preferably using computerised systems. A relevant degree would be an advantage. Starting remuneration will be circa £7,000 p.a. or more for particularly well qualified candidates. Unusually attractive benefits include an immediate low interest mortgage, car purchase scheme, non-contributory pension, and generous assistance if required with relocation.

(Ref: AA50/6590/FT)

*Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.*

PA Personnel Services

127 George Street, Edinburgh EH2 4JN. Tel: 031-225-4481.



A member of PA International

## Managing Director

for a division comprising companies which manufacture a wide range of products for the health care industry. The division is part of a large, well-known and very successful group.

• THE role is twofold: to direct and control the division through the managing directors of the individual companies; secondly, from a £25m turnover base, to accomplish further growth for which ample funds are available. Emphasis is on developing business overseas.

• PROVEN success in general management in a large manufacturing company, coupled with experience in international market development, is essential.

• SALARY for discussion to attract those already earning well into five figures. Age probably around 45. Location: North Midlands.

Write in complete confidence to G. W. Elms as adviser to the group.

TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS  
10 HALLAM STREET and LONDON WIN 6DT  
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

## Chief Accountant

for a major division of a well-known group of engineering contractors which operates internationally in the oil, gas and petrochemical industries. The profit record is impressive.

• RESPONSIBILITY is to a Divisional Director for monitoring and financial control of the division's performance. In addition to managing a staff of fifty in two locations, the role offers scope in the continual development of systems which must meet exacting requirements of substantial clients.

• A QUALIFIED accountant is required with experience at senior level in a comparable role involving long term contracts.

• AGE under 50. Remuneration in the region of £12,000. Car. Location: South.

Write in complete confidence to G. W. Elms as adviser to the group.

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MANAGEMENT CONSULTANTS  
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Energie- und Ingenieurtechnik mbH

We are a leading German consulting company with worldwide activities in mining technology, coal research, water and energy engineering etc.

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MECHANICAL ENGINEER

2-5 years' experience in power plant engineering required, preferably with basic knowledge of German language.

Please forward your applications to:

Saarberg-Interplan GmbH  
Stengelstrasse 1  
D-6600 Saarbrücken, W. Germany

## BRAZIL

## PRODUCTION MANAGER BIOLOGICALS

Brazilian firm building industrial plant for production of human and veterinary vaccines and products derived from blood and insulins, requires

## PRODUCTION MANAGER

to assist in planning of laboratories and plant and to supervise works in process. Essential pre-requisites: experience in projects and implementation of production lines and complementary activities; confirmed capacity related with production of biologicals.

Application with full CV to be sent to:

ICEM, P.O. Box 100, 1211 Geneva 19, Switzerland.

Final interviews by firm's executive in Europe mid-October.

## COMPANY NOTICES

## UNION CORPORATION LIMITED

(Incorporated in the Republic of Ireland)

PAYMENT OF COUPON NO. 128

HOLDERS OF SHARE WARRANTS

NOTICE IS HEREBY GIVEN that a

Payment for the Winding up of the

Company will be made on the 10th day of September

1978, presented to the said Court by

UNION CORPORATION LIMITED whose

registered office is situated at 12 St.

Switch's Lane, London, E.C.4. Bankers

and the said Petition is directed

to the Royal Court of Justice, Strand

London, WC2A 2LL, on the 3rd day

of October 1978, and any creditor or

debtor of the said Company

desires to be heard before the said

Court on the 10th day of October

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## Indices

## NEW YORK-DOW JONES

	1978						Since Compt'd			
	Oct. 4	Oct. 5	Oct. 2	Sept. 29	Sept. 28	Sept. 27	High	Low	High	Low
Industrials	975.87	987.02	971.05	965.02	961.61	950.19	987.74	942.12	1015.76	912.02
Trans. & Tel.	810.00	810.50	805.00	805.00	805.00	805.00	812.50	805.00	812.50	805.00
Finance	842.47	842.82	838.75	838.94	838.85	838.95	840.38	837.75	841.73	826.02
Transport.	246.95	244.45	244.74	244.17	242.94	242.95	251.48	240.81	252.88	235.25
Utilities	106.09	105.95	105.82	105.18	105.22	105.35	109.35	102.94	108.82	104.36
Trading vol.	200,140	22,550	19,855	25,810	24,350	23,370	—	—	—	—

\* Basis of Index changed from August 24

Sept. 29 Sept. 22 Sept. 15 Sept. 12 (Year ago approx.)

Ind. div. yield % 5.48 5.50 5.39 5.32

STANDARD &amp; POORS

	Oct. 4	Oct. 5	Oct. 2	Sept. 29	Sept. 28	Sept. 27	High	Low	High	Low
Industrials	114.45	114.75	114.22	112.82	112.71	112.62	118.71	98.52	118.84	102.52
Composite	105.95	107.00	102.95	101.95	101.95	101.95	103.35	98.95	103.35	101.95

\* Basis of Index changed from August 24

Sept. 29 Sept. 22 Sept. 15 Sept. 12 (Year ago approx.)

Ind. div. yield % 5.43 5.45 5.39 5.32

Long Gov. Bond yield 5.58 5.47 5.33 5.32

## Early Wall St. advance on steadier dollar

## INVESTMENT DOLLAR PREMIUM

\$2.60 to \$1.821% (32%) Effective \$1.9820 40% (38%)

AFTER OVERCOMING concern about a rise in the Wholesale Price Index in September, Wall Street ended Wednesday's market improvement in active early trading yesterday, helped by the dollar's steadier performance.

The Dow Jones Industrial Average was 5.89 firmer at \$79.75. Johnson &amp; Johnson advanced \$1 to \$85. It has agreed to acquire Technic for stock. Technic moved ahead \$1 to \$131 in active trading.

THE AMERICAN SE. Market Value increased 0.87 more to 170.59 at 1 p.m. Volume 2.2m shares (2.13m).

Champion Home Builders were active and put on \$1 to \$31. It reported increased profits earlier in the week.

The Labour Department announced that U.S. Wholesale prices rose 0.9 per cent last month, after a fall of 0.1 per cent in August.

Analysts said the market could further build on the previous day's late gains, but noted trading in the Toronto Composite Index rose 4.3 more to 3,012.1 at noon. Metals and minerals strengthened 2.21 to 1,168.9 on index, while Papers rose 1.16 to 154.52 and Utilities 0.48 to 192.75. Banks, however, declined 1.71 to 287.66, and Golds slipped back 4.8 to 173.05.

S. McLaughlin lost 1 in Canada. Canadian Bond Rating Service said it has suspended debt ratings on the company's copiers.

## NEW YORK

Stocks were inclined to dip back as the market continued to consolidate its latest advance. The Commerzbank index eased

Dow Chemical tacked on \$1 to \$20. It is to buy back about 2m of its shares in the open market over the next 15 months.

General Electric eased \$1 to \$221 on news that third-quarter profit will not match the first. It also plans to broaden merger talks with Cox Broadcasting, which jumped \$1 to \$39 after a late start.

Johnson &amp; Johnson advanced \$1 to \$85. It has agreed to acquire Technic for stock. Technic moved ahead \$1 to \$131 in active trading.

THE AMERICAN SE. Market Value increased 0.87 more to 170.59 at 1 p.m. Volume 2.2m shares (2.13m).

Shares with good earnings prospects, such as small-sized Steels and some Public Works issues, were prominently firmer. Tokyo Steel rising 2.7 to 929. Nippon Sheet Glass 110 to 124 and Maruishi Steel rose 1.3 to 1,100.

Champion Home Builders were active and put on \$1 to \$31. It reported increased profits earlier in the week.

Carnation added \$1 to \$32. A 22,000-share block changed hands at \$31.

Kerns climbed \$1 to \$37. The CSE Canadian Bond Rating Service said it has introduced two new

because of "very serious cash flow problems."

Labrador Mining, on intentions to pay a special dividend of C\$1.50, rose 1 to \$244.

Liber Exploration eased 3 while Stolz gained 1.5.

General Motors, Daimler-Benz to 5.8 to 553.4.

The Mining sector was boosted by a rise in London metal prices.

Daimler-Benz, on intentions to pay a special dividend of C\$1.50, rose 1 to \$244.

Deutsche Bank received \$1.80, while Stolz gained 1.5.

Western Mining, and MIN, Central and Union Bank to 5.8 to 540.00, and Siemens DM 3.20. However, MAN, Bougainville Copper put in Engineers, gained DM 1.00. 3 cents to 551.8.

After recent depression in firms with gains ranging to 20 pence.

The Bundestag voted to postpone the start to mining the Ranger project. Uranium issues staged a recovery. Peko-Wallendal gained 15 cents to 85.95. Queensland Nine 20 cents to 85.20. Pancontinental also 20 cents to 81.20.00.

Industrial leader EHP advanced 3 cents to 85.66, while ICI Australia added 3 cents to 82.25.

BNSF Wales moved up 12 cents to 87.82, but other Banks were mainly easier. CSA receding 7 cents to 82.62.

## Tokyo

Stocks finished on a rather mixed note after profit-taking halted a fresh stock market advance. The Nikkei-Dow Jones Average after touching a new record high of 7,935.87, came back to 7,970.77, up 2.92 on balance, while the Nikkei 225 rose 1.5 to 1,100.50.

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Kerns climbed \$1 to \$37. The CSE Canadian Bond Rating Service said it has introduced two new

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## FARMING AND RAW MATERIALS

## Danes seek action over industrial fishing ban

By CHRISTOPHER PARKES

DENMARK HAS thrown its weight behind the Common Market Commission's campaign over fisheries policy, which is leading to a standstill in the European Court of Justice.

After a Cabinet meeting in Copenhagen yesterday the Government said it would press the Commission to start a special court action against Britain's unilateral ban on industrial fishing for fishmeal in a large area of the North Sea.

Government sources were quoted by agencies as saying that if the Commission failed to take action it was logical for the Danish Government to go to the European Court of Justice.

A senior EEC official claimed in Brussels yesterday that Britain was to be taken to court by the Commission over its controls in other sea areas.

Svenn Andersen, Danish Fisheries minister, said that the request for legal action was specifically aimed at British controls in the so-called pout box—a large area of the North Sea off the eastern coast of Scotland.

Officials at the Ministry of Agriculture in London said there could be no question of immediate action, since the British Government still had to respond to the Commission's own complaint about the controls.

Last weekend Mr. Finn Gundersen

lashed the EEC Agriculture Commissioner, asked Britain to delay implementation of its most recent conservation measures and let him see the scientific evidence on which the controls were based.

The new restrictions, which include the extension of the pout box two degrees to the east, are already in force.

Britain bases the enlargement of the area on statistics provided by the International Council for the Exploitation of the Sea. If the ban on industrial fishing inside the box is forced from October until March next year—were applied all the year round, it could lead to a 25 per cent rise in haddock stocks in the North Sea and a 50 per cent increase in the number of whiting in the area.

The Danes say that the ban will cut their industrial fishing fleet of from a potential catch of 200,000 tonnes of Norway pout for processing and loss them almost \$400,000.

The British, however, value the potential increase in stocks of fish for human consumption at three times the Danes' losses.

They also claim that there are plenty more Norway pout shoals in the area around the box.

Danish trawlers have been warned by their leaders not to

risk being caught inside the proscribed zone. British naval protection vessels and surveillance aircraft are keeping a constant watch.

Penalties for illegal fishing range up to fines of £50,000 and confiscation of tackle and catches.

Mr. Kent Kirk, leader of the fishing fleet in Esbjerg, on Denmark's west coast, told Reuter that if the Commission failed to stop Britain's unilateral actions he would press the Danish Government to consider abandoning all co-operation with the EEC over fisheries policy.

He said that continued British domination of key parts of EEC waters undermined all possibility of a compromise on Community fisheries policy.

The Ministry of Agriculture announced last night: "In view of the quantities of mackerel which have been landed in the UK in recent weeks, it has been decided that the permitted daily catch of mackerel which may be landed or transhipped by British fishing vessels will be reduced from 5 tonnes to 3 tonnes per crew member per day at sea."

The change is to take effect on October 9, 1978. Arrangements for the South West fishery are still under consideration.

This suggests that sufficient stocks will be available to meet the requirements of industry, with something to spare until the second quarter of next year.

## Sharp fall in cocoa market

By Our Commodities Staff

COCOA PRICES fell sharply in futures trading on the London futures market yesterday afternoon.

The March position, after having traded up to £1,943 before closing at £1,933 a tonne, fell lower than the previous close.

Trades and speculative selling was reported to have been triggered off by rumours that the third quarter grindings figure in the US. may fall by as much as 10 per cent compared with earlier predictions of a 5 per cent decline.

London merchants Paterson, Simons and Ewart, in a report reviewing prospects for West Africa in 1978-79, forecasts a fall of 83,000 tonnes to 785,000 tonnes.

It puts the Ghana main crop at 260,000 tonnes, which is above many other market estimates. Total crops of other producers are put at 257,000 tonnes for Ivory Coast, 170,000 Nigeria and 97,000 Camerons.

The report says that crops in all the main West African producing countries will be early this season and are likely to fall off abruptly at the end of the year.

This suggests that sufficient stocks will be available to meet the requirements of industry, with something to spare until the second quarter of next year.

## FARMLAND NATIONALISATION

## Wealth becomes a burden

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE NATIONAL Union of Agricultural and Allied Workers has put in a call for the nationalisation of farmland. The reasons given are fairly vague.

The real one, the redistribution of wealth—dear to all socialists and a good many others too—is left out of account.

The point is that farmland is very valuable. The owner of even 100 acres is by any standard a wealthy man with land selling at anything up to £2,000 an acre in smallish lots at recent auctions.

A large Hampshire farm was sold for £1,800 an acre last week.

Established farmers, at least 25 per cent of them who own their land, look on these rising prices with increasing dread, not with the joy that becoming millionaires might be expected to arouse. This is because the increasing values will eventually make it harder for their heirs to find the capital taxation incurred on inheriting or being given, the farms.

The main difference is that the tax could be a real burden on the successors to a landowner. If an heir receives inherited wealth in shares, a proportion of them can be sold off without real hurt.

The argument against the concession to landowners is that it is an egalitarian society. Farming capital consists of land and buildings, while working capital is represented by machinery and livestock. Working capital for quite a big farm could amount to no more than

£100,000, which might cripple him. This land could then be rented back by which might affect him.

So, when a farmer dies his estate will be swollen by the value of his land, and the taxation to be paid on this would probably make the provision of working capital very difficult.

Some people have a horror of being tenants of the State. It is preferable, admittedly, not to be a tenant at all, but I have rented land from both the State and private landlords and have found little difference in the bureaucratic approach of their agents.

To sell out to an alternative would be another alternative, but an institution would probably wish to secure the whole and not simply part of the holding.

In their proposals, the union mentioned the State ownership of land in Australia and New Zealand. However, the reason for State ownership there has been to enable the land under its control to be used for a variety of purposes, such as roads, railways, etc.

The difference between this overseas system of tenancy and the traditional British one has not been that only the land is leased. The fixtures—houses, fences and buildings—are the property of the tenant and can be sold by him when departing.

If nationalisation should have to come in Britain, for either fiscal or political reasons, it would be sensible perhaps to tax, see no reason why the owner should not pass over a certain acreage to the State in lieu of cash, the raising of the fixtures.

## Australia

Faced with the demand for tax, I see no reason why the owner should not pass over a certain acreage to the State in lieu of cash, the raising of the fixtures.

## Sri Lanka to boost rubber production

COLOMBO, Oct.

SRI LANKA hopes to boost rubber production to about 170,000 tonnes by 1983 as part of a long-term plan to develop its rubber industry, a plantation ministry spokesman said.

The plan, to be spread over 15 years, includes a replanting target of 3 per cent of the area under rubber or 15,000 acres a year, he said.

The target is to be gradually stepped up to 5 per cent to catch up with a big replanting backlog over the last few years, he added.

The plan will be implemented with assistance from developed countries and a three-member team from the UK Ministry of Overseas Development is already advising the Government on increasing production and improving process techniques.

Reuter

## U.S. Markets

## Copper up; sugar drops back

NEW YORK, Oct. 4

PRECIOUS METALS closed mixed, speculative buying up prior to the release of the IMF gold auction and the release of the wholesale price index tomorrow.

Gold was up 10.75 to \$104.75 an ounce, silver up 1.75 to \$10.25 an ounce, platinum up 1.25 to \$104.75 an ounce and palladium up 1.25 to \$104.75 an ounce.

The plan will be implemented with assistance from developed countries and a three-member team from the UK Ministry of Overseas Development is already advising the Government on increasing production and improving process techniques.

Reuter

## Seals eat £12m fish a year

BY OUR COMMODITIES STAFF

BRITAIN'S POPULATION of 60,000 grey seals eat as much as 10 per cent of the catchable fish to be found in the national 200-mile zone, the Scottish Office claimed yesterday. At average landed prices such consumption is worth £12m a year.

In a response to pressure groups which want to stop the planned cull of grey seals, officials from the Scottish Office said the population had doubled in the past 10 years and the number around Britain was likely to continue increasing at a similar rate.

There were no natural predators or other factors to stabilise the population, they told representatives from the Greenpeace Foundation.

The decision to reduce numbers was taken on the advice of the Seal Advisory Committee and, after consultation with official conservation bodies.

The current culling programme aims at reducing the grey seal population by half over six years. The main reason for the reduction, the Scottish Office said, is to reduce losses to the fisheries which are currently about 60,000 tonnes a year.

Net cost of the operation, after allowing for income from sales of skins, will be between £10,000 and £20,000.

## JAPAN TO IMPORT LESS TIMBER

TOKYO, Oct. 5

JAPAN'S TIMBER imports from the Soviet Union and New Zealand may fall in the half-year beginning this month as the result of a drop in domestic demand, according to the Central Timber Supply-Demand Co-ordinating Council here.

The council estimates that Japan's timber imports from the U.S. will total 10.57m cubic metres this year—up 4 per cent—and after consultation with official conservation bodies.

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Reuter

## Malaysian aid for Bangladesh rubber project

BY WONG SULONG

KUALA LUMPUR, Oct. 5

A TEAM of rubber experts from Malaysia left today for Dacca to study how their country could help Bangladesh set up a natural rubber industry.

The team's leader, Mr. Ahmad Farouk, deputy controller of rubber research, said that the Malaysian Government was anxious to diversify its economy, which is based on jute exports.

The team would be in Bangladesh for a week to find out whether Malaysian high-yield rubber clones could be adapted in the country, and the type of training and research facilities that would be required.

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## STOCK EXCHANGE REPORT

## Equity leaders become uncertain after two-day upturn but EMI up in heavy trading on news of U.S. deal

## Account Dealing Dates

**First Declara-** Last Account Dealing Dates. Dealings Day Sep. 18 Sep. 28 Sep. 29 Oct. 10 Oct. 18 Oct. 26 Oct. 27 Nov. 7

**Now these dealings may take place from 9 a.m. two business days earlier.**

Apprehensions that equity markets could enter into a state of uncertainty while the Government attempts to reach some form of compromise with the unions could be reflected in the several possible reasons for a reversal yesterday of the recent two-day advance in prices.

Immediately it became apparent that the recent small demand had evaporated, dealers lowered leading industrials and the manoeuvre soon had its repercussions. Short-term profit-taking speculators were unmoved and found prices ready to react just as quickly as had moved higher in the mid-week business.

This demonstration of the continuing sensitivity of markets owed something to the fact that jobbers were unwilling to take stock on their books, preferring to maintain balanced positions.

As a result, that a modest initial rise in the FT 30-share index was transformed into a loss of nearly eight points at the 3 pm calculation before a close of 63 down on balance at 6348.

Speculative enthusiasm in the Electrical sector faded but EMI revived strongly on relief that the dividend had, at least, been maintained and the latest news of the planning licensing agreement with Johnson and Johnson, Inc., in which an EMI spokesman said could represent multi-million dollar income for the company.

Unaffected by the turnaround in equities, British Funds welcomed a brief early expansion in trade.

Small investment demand was directed to the longer maturities which were quoted marginally firmer on overnight levels, but the shorts faded before rallying to close slightly higher on the day. Minimum lending rate was unchanged at 10 per cent as expected. A steady but scattered improvements in the majority.

The investment currency market experienced volatile conditions again yesterday. The premium

moved forward sharply on a proposed 100 per cent scrip issue left some balance firms 25 up at 255p.

## EMI good late

EMI claimed the highlight in Electricals, rising to 23p on the day, before closing at 23p per cent, a rise of 12 per cent on the day.

Yesterday's SE conversion factor was 0.7128 (0.7137).

The market in Traded Options turned quieter with contracts totalling 543 compared with the previous day's 793.

Ferranti issues encountered a less active trade, the new ordinary reacting 3 to 37p on scattered offerings.

Home firms surrendered the previous day's small gains in this trading. Among Discounts, Unilever improved 3 to 31p but Clive were unmoved at 71p following the interim statement. Merchant Banks were notable for an improvement of 3 to 23p in Guineas. Peat after the chairman's confident remarks in his mid-week review.

Insurances closed quietly dull. Sedgwick, Forties lost 10 to 425p, while Hamble Life, a firm market of late, following favourable interim figures, eased 3 at 400p, after 395p.

Amalgamated Distilled Products continued firmly, rising 4 to 23p for a two-day gain of 7 on mounting speculation that the company has sold its Robert Porter subsidiary. Ivergordon hardened 3 to 145p for a two-day speculative advance of 13, but Distillers, at 204p, gave up half of Wednesday's rise of 10.

Timber issues provided a spark of interest in an otherwise neglected Building sector. Stimulated by the recently-agreed merger of Bambergers and International Timber, speculative demand developed for May and Parker, 4 better at 83p, and

Phoenix, 3 up at 106p. Phoenix finished 3 to the good at 141p. Blowers, a Cossor Group

added 3 to 49p following news of planning permission for three office blocks involving a £3.5m investment. Occasional selling clipped 4 from Milbury at 48p.

ICL touched 40p in early dealings but lack of sustained interest brought a close of 39.7p, down 4. Ellis and Everard, at 105.1p, relinquished 6 of Wednesday's rise, 4 up at 12p, that reflected ICL's purchase in the company's equity from Unilever, 4 easier at 483p. Good interim

results and a proposed 100 per cent scrip issue left some balance firms 25 up at 255p.

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Ferranti issues encountered a less active trade, the new ordinary reacting 3 to 37p on scattered offerings.

Home firms surrendered the previous day's small gains in this trading. Among Discounts, Unilever improved 3 to 31p but Clive were unmoved at 71p following the interim statement. Merchant Banks were notable for an improvement of 3 to 23p in Guineas. Peat after the chairman's confident remarks in his mid-week review.

Insurances closed quietly dull. Sedgwick, Forties lost 10 to 425p, while Hamble Life, a firm market of late, following favourable interim figures, eased 3 at 400p, after 395p.

Amalgamated Distilled Products continued firmly, rising 4 to 23p for a two-day gain of 7 on mounting speculation that the company has sold its Robert Porter subsidiary. Ivergordon hardened 3 to 145p for a two-day speculative advance of 13, but Distillers, at 204p, gave up half of Wednesday's rise of 10.

Timber issues provided a spark of interest in an otherwise neglected Building sector. Stimulated by the recently-agreed merger of Bambergers and International Timber, speculative demand developed for May and Parker, 4 better at 83p, and

Phoenix, 3 up at 106p. Phoenix finished 3 to the good at 141p. Blowers, a Cossor Group

added 3 to 49p following news of planning permission for three office blocks involving a £3.5m investment. Occasional selling clipped 4 from Milbury at 48p.

ICL touched 40p in early dealings but lack of sustained interest brought a close of 39.7p, down 4. Ellis and Everard, at 105.1p, relinquished 6 of Wednesday's rise, 4 up at 12p, that reflected ICL's purchase in the company's equity from Unilever, 4 easier at 483p. Good interim

results and a proposed 100 per cent scrip issue left some balance firms 25 up at 255p.

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Friday October 6 1978

**BELL'S**  
SCOTCH WHISKY  
**BELL'S**

## LABOUR TAKES STEP TOWARDS NATIONALISATION

# Benn backs BP takeover

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR PARTY moved a substantial step towards a commitment to full-scale nationalisation of oil licences are offered with a conference decision that alarmed senior Ministers.

Mr. Anthony Wedgwood Benn, Energy Secretary, enthused at Blackpool when he gave his backing and that of the party's National Executive Committee to a resolution calling for public ownership and to a policy statement demanding that British Petroleum and its subsidiaries should be fully nationalised.

### Confident

But the oil industry last night reacted with indignation to any idea of nationalisation and a U.S. company warned that it will be seen as an electoral gift to the Conservatives.

It was stressed by Ministers that Mr. Benn had spoken without Cabinet authority and that the Government's attitude towards both BP and the North Sea oil companies remained unchanged.

There is no Government proposal to extend the State's intervention in offshore exploration and development, or to make changes extending the Government's 51 per cent holding via stake, was involved with Shell.

## Probe into Pakistan order for 'N-bomb equipment'

By John Lloyd

THE GOVERNMENT is investigating a £1.25m export order for control equipment which it believes will be used by the Pakistani Government in the manufacture of a nuclear bomb.

The investigation comes at the same time as the disclosure that Mr. Z. A. Bhutto, the former Pakistan Prime Minister now condemned to death by the military government, has "claimed that the country was 'on the verge of full nuclear capability' during his term of office.

The order for the electrical control equipment was placed earlier this year by the Pakistani Government with Emerson Electrical Industrial Controls, of Swindon. The company says that it understood that the equipment was for use in a textile plant.

### Interview

However, officials from the Department of Energy and the Department of Trade investigating the contract now believe that the equipment would be used in the construction of nuclear weapons. The senior management at Emerson were informed of this view in an interview with officials some weeks ago.

The Government's attention appears first to have been drawn to the contract by a parliamentary question tabled on July 20 by Mr. Frank Allaun, Labour MP for Salford East.

Mr. Allaun asked Mr. Edmund Dell, the Trade Secretary: "If the supply to Pakistan of equipment which will form part of that government's technological capability to manufacture its own nuclear weapons was made with his approval?"

Mr. Dell replied that the order had not been approved, but that it would require his approval only if the equipment fell under the provisions of the Export of Goods (Controls) Order, 1970.

Officials are now considering whether the control equipment should be seized under the terms of the Order. The range of products covered by the Order—largely defence and nuclear equipment—is reviewed from time to time, and may be amended.

The equipment, on which work has started, is due for delivery next year. The Department of Energy said last night that clarification was expected in a few weeks.

Emerson—which is currently suffering from a work-to-rule by its 200 employees in support of a pay claim—says that the order is "very important" to its business and "could seriously affect its operations" if banned.

### No magic

Mr. Alastair Malpas, the personnel director, said yesterday: "If the Government refuses to issue a licence for us, then the equipment can be purchased elsewhere in Europe. There is nothing magic about it."

The Pakistan Embassy refused to comment on the order last night. Neither has there been any official reaction to the report yesterday that Pakistan may be close to nuclear weapon development, though international diplomatic opinion is thought to agree with this assessment.

Mr. Bhutto, in a rebuttal of charges that he rigged last year's general election, claims that Pakistan was seeking the capability to explode a nuclear device with the aid of a reprocessing plant to be bought from France.

## Hodge chairman and ten directors retire

BY JOHN BRENNAN

SIR JULIAN HODGE, 74, is retiring as chairman of the banking and personal finance group that bears his name.

Sir Julian's departure, and the retirement from the boards of Hodge companies of no less than 10 other directors, including Lady Hodge and Miss Teresa Hodge, comes a matter of weeks after the revelation that the Office of Fair Trading was "minded to refuse" applications from Hodge Group subsidiaries for consumer credit licences.

Details of this move have never been made public. And it remains to be seen what effect, if any, yesterday's management changes will have on the eventual decision of Mr. Gordon Borrie, Director General of Fair Trading, on licences.

Standard Chartered, which bought the Hodge companies for £42m in 1973, said yesterday that the Board changes at Hodge Group had been contemplated at the time of the acquisition and discussed in detail this spring.

The bank would not say whether the moves were related to the Office of Fair Trading's recent application to Hodge's two-year-old subsidiary of Standard Chartered, becomes temporary chairman of all three Hodge companies. Mr. J. A. Stephenson, a Standard Chartered general manager, becomes deputy chairman of all three.

Lord Barber, Standard Chartered's chairman, said yesterday: "Some months ago Sir Julian told me that he wished to retire this autumn from his various positions in the Hodge Group. I am particularly grateful to Mr. Lane for taking on the chairmanship for the next few months until a successor is appointed.

Both Mr. Pullen and Sir Andrew Crichton informed me some months ago that they wished to retire from the Hodge boards but, knowing Sir Julian intended to retire this autumn, they agreed at my request to remain directors for the time being."

Mr. Gordon Borrie had "nothing to say" on the Hodge management changes yesterday. The details of management changes, Page 31

## Leyland Vehicles and unions agree productivity rises

BY NICK GARNETT, LABOUR STAFF

A PAY and productivity deal which could give rises of up to 5½ or 20 per cent for a large proportion of workers at Leyland Vehicles' Lancashire factories has been negotiated by unions and management.

The deal, which the company says is within the 5 per cent pay guidelines, has still to be approved by the Department of Employment and formally ratified by the unions. Leyland Vehicles said last night, however, that mass meetings of workers had agreed the deal.

The package, which applies to the 9,600 workers at the company's truck and bus plants in Leyland and Cheshire, has been partly designed to reverse the erosion of skill differentials and prepare the ground for planned expansion of the company's operations in Leyland.

### Bathgate

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be agreed with workers at Leyland Vehicles' semi-skilled workers at the plant in Bathgate.

The scheme, which was agreed to by the unions and management, is a part of a bonus scheme which is to be introduced in the next few weeks.

Pay problems are not expected to be discussed at the monthly meetings of the NEDC next Monday, which will be concentrating on import protection and the performance of parts of the engineering industry.

However, CBI leaders are likely to urge Ministers to start talks soon on the longer term reform of pay bargaining and on ways of improving economic understanding.

This is in line with the policy developments at the monthly meeting yesterday.

But there was no sign of the general election, claims that Pakistan was seeking the capability to explode a nuclear device with the aid of a reprocessing plant to be bought from France.

This would be in line with the drive within BL, the holding group of which Leyland Vehicles is a part, to boost production and sort out its labour relations difficulties.

In return for higher productivity payments the company says it has won agreement from the workforce on reducing restrictive practices and demarcation problems, increasing job flexibility. The company said yesterday that it thought this would be a significant step forward in labour relations.

The pay package, worked out by a joint union-management team, is to run for 12 months from September, is made up of three parts. There is a 5 per cent across the board increase, together with a 5 per cent productivity deal worth up to 8 per cent, linked to job flexibility and an improved attendance record.

There is a further productivity bonus, linked to output and built on to an existing bonus scheme which is giving average payments of 5 per cent.

• Negotiations were taking place late last night between unions and Vauxhall management over the company's pay

payments, semi-skilled workers and productivity offer.

Continued from Page 1

## Ford strike

claimed. All that was needed until Ministers and union leaders have met next week.

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Continued from Page 1

## U.S. prices

dollar continued to slide in foreign exchange markets, hitting new low against the D-mark and other members of the European stable.

The dollar's trade-weighted depreciation as measured by Morgan Guaranty at noon in New York widened from 9.6 per cent to 9.7 per cent.

Against the D-mark, the dollar closed in London at DM 1.8955, down from the previous day's DM 1.9007, and it fell against the Swiss franc in spite of support from SwFr 1.5225 to SwFr 1.5287. The gold price rose to another new peak at the close in London of \$225.

## UK faces court action on fisheries policy

BY RICHARD MOONEY

BRUSSELS, Oct. 5.

BRITAIN will be taken to the European Court of Justice over its unilateral fisheries protection policy.

One senior U.S. oil executive commented: "What is the immediate effect will be to dry up any more investment in the North Sea. Why should we spend any more money if we are going to be nationalised?"

"If you are going to be compensated you are not going to spend any more than you are obliged in. This is a dreamworld; it is unreal."

The industry recognises that nationalisation is still far from being Government policy. But with Mr. Benn closely associated with the conference vote, it can only add further to the industry's growing unease.

The market breathed a sigh of relief yesterday morning when EMI held its final dividend and reported pre-tax profits of £28m, not quite ranking as the horror story which the pessimists had been fearing.

But it was the afternoon's news of a potential scanner royalty settlement with its U.S. competitor Ohio-Nuclear, now being bid for by Johnson and Johnson, which put some bounce into the share price. The closing level was up 11p at 156p, where the yield is 9.3 per cent.

Two main factors lie behind the collapse in EMI's profits from the £84.7m achieved in 1976-77. First, scanner losses totalled not to be the £25m or so guessed by outsiders, but £32.2m—a total deterioration of £7.7m from the previous year.

The reasons for this have been well aired: a savage 80 per cent decline in U.S. sales, and heavy development costs of the new scanner range.

Secondly, a serious squeeze on the worldwide music business has left profits all but halved, with only £1.2m from this division in the second six months.

Heavy startup costs in the French distribution centre and the factory in Holland have exaggerated the underlying

losses which relates to the growing domination of the international music business by U.S. artists.

EMI's British talent has largely been driven out by the tax system, and the group's strategy is now to build up its U.S. activities as a base for its international operations.

As an example of unnecessary action, Mr. Gallagher quoted Britain's imposition of a 70 mm minimum net mesh size (formerly 50 mm) for scallop fishing in UK waters.

The EEC fisheries chief attributed the severity of UK conservation measures partly to Mr. Silkin's well-known anti-Market feelings. "He has a political interest to see that the common fisheries policy does not work," Mr. Gallagher declared.

Mr. Gallagher's view of the situation evidently does not reflect that of his superior, Mr. Finn Gundelach, EEC Agriculture Commissioner. Mr. Gundelach said yesterday that no decision had been reached to take Britain to the court over fisheries. He said any such action would only be taken with extreme reluctance. "The dialogue is still continuing," he said.

Mr. Gallagher was evidently pre-judging the case. Ministry of Agriculture officials said in London last night.

Mr. Silkin had been asked by Mr. Gundelach to justify his recent conservation moves and supply scientific evidence to support them.

His response was still being prepared and the evidence, based on statistics provided by the International Council for the Exploration of the Sea—was being collated.

Danes seek industrial fishing action, Page 33

## Weather

MAINLY dry, sunny intervals.

London, S.E. and S. England, E. Anglia, Midlands, Channel Islands.

Mainly dry, sunny intervals.

East N.E., N.W. and Central N. England.

Mainly dry, sunny intervals.

S.W. England, S. Wales.

Mainly dry, sunny intervals.

N. Wales, Lake District, Isle of Man, S.W. Scotland, Ulster.

Mainly dry, occasional rain and cloud.

Cloudy, occasional rain and

hail.

Edinburgh, Dundee, Aberdeen, Highlands, Moray, Perth, Argyll, N.E. and N.W. Scotland.

Bright intervals, some rain.

Max. 17C (63F).

Outlook: Becoming colder

## BUSINESS CENTRES

Yesterdays

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